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STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SIXTY-SIXTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 3, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Howard C. Gravrock, House Chaplain.

The roll was called and the following members were present:

Anderson, G.	Erickson	Kvam	Pappas	Solberg
Backlund	Fjoslien	Levi	Pauly	Sparby
Battaglia	Forsythe	Long	Peterson	Stanius
Beard	Frederick	Marsh	Piepho	Staten
Becklin	Frederickson	McDonald	Piper	Sviggum
Begich	Frerichs	McEachern	Poppenhagen	Thiede
Bennett	Greenfield	McKasy	Price	Thorson
Bishop	Gruenes	McLaughlin	Quinn	Tjornhom
Blatz	Gutknecht	McPherson	Quist	Tomlinson
Boerboom	Halberg	Metzen	Redalen	Tompkins
Boo	Hartinger	Miller	Rees	Tunheim
Brandl	Hartle	Minne	Rest	Uphus
Brinkman	Haukoos	Munger	Rice	Valan
Brown	Heap	Murphy	Richter	Valento
Burger	Himle	Nelson, D.	Riveness	Vanasek
Carlson, D.	Jacobs	Nelson, K.	Rodosovich	Vellenga
Carlson, J.	Jaros	Neuenschwander	Rose	Voss
Carlson, L.	Jennings, L.	Norton	Sarna	Waltman
Clark	Johnson	O'Connor	Schafer	Welle
Clausnitzer	Kahn	Ogren	Scheid	Wenzel
Cohen	Kalis	Olsen, S.	Schoenfeld	Wynia
Dempsey	Kelly	Olson, E.	Schreiber	Zaffke
DenOuden	Kiffmeyer	Omann	Seaberg	Spk. Jennings, D.
Dimler	Knickerbocker	Onnen	Segal	
Dyke	Knuth	Osthoff	Sherman	
Elioff	Kostohryz	Otis	Simoneau	
Elingson	Krueger	Ozment	Skoglund	

A quorum was present.

Anderson, R., and Lieder were excused.

Shaver was excused until 3:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kvam moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 671 and S. F. No. 40 have been placed in the members' files.

The Speaker announced that the next order of business would be the election of an officer.

ELECTION OF OFFICER

The following name was placed in nomination:

The name of Jon D. Brune was placed in nomination for Postmaster by Levi.

There being no further nominations, the Speaker declared the nominations closed.

The roll was called on the election of the Postmaster, and the following voted for the nominee:

Anderson, G.	Ellingson	Knuth	Otis	Simoneau
Backlund	Erickson	Kostohryz	Ozment	Skoglund
Battaglia	Fjoslien	Krueger	Pappas	Solberg
Beard	Forsythe	Kvam	Pauly	Sparby
Becklin	Frederick	Levi	Peterson	Stanius
Begich	Frederickson	Long	Piepho	Staten
Bennett	Frerichs	Marsh	Piper	Thiede
Blatz	Greenfield	McKasy	Poppenhagen	Thorson
Boerboom	Gruenes	McLaughlin	Price	Tjornhom
Boo	Gutknecht	McPherson	Quinn	Tomlinson
Brandl	Halberg	Metzen	Redalen	Tompkins
Brinkman	Hartinger	Miller	Rees	Tunheim
Brown	Hartle	Minne	Rest	Uphus
Burger	Haukoos	Munger	Rice	Valan
Carlson, D.	Heap	Murphy	Richter	Valento
Carlson, J.	Himle	Nelson, D.	Riveness	Vanasek
Carlson, L.	Jacobs	Nelson, K.	Rodosovich	Vellenga
Clark	Jaros	Neuenschwander	Rose	Voss
Clausnitzer	Jennings, L.	Norton	Sarna	Waltman
Cohen	Johnson	O'Connor	Schafer	Welle
Dempsey	Kahn	Ogren	Scheid	Wenzel
DenOuden	Kalis	Olsen, S.	Schoenfeld	Wynia
Dimler	Kelly	Olson, E.	Schreiber	Zaffke
Dyke	Kiffmeyer	Omann	Seaberg	Spk. Jennings, D.
Elioff	Knickerbocker	Onnen	Sherman	

The nominee, having received a majority of the votes cast, was declared duly elected Postmaster.

OATH OF OFFICE

The oath of office was administered to the Postmaster-elect by the Speaker.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

House File Nos. 1693 through 1814 were filed with the Speaker during the recess, given a file number and unofficially referred to committee pursuant to rule 9.5. Following is the official introduction and committee reference:

Shaver, Gutknecht, Knickerbocker, Himle and Fjoslien introduced:

H. F. No. 1693, A bill for an act relating to elections; permitting corporations doing business in Minnesota to establish, administer, and solicit contributions from among their shareholders and certain employees for political committees; setting conditions for those activities; allowing corporations to communicate with shareholders, executives, and employees concerning elections; raising thresholds for reporting of contributions and expenditures by political committees and funds; raising thresholds for recordkeeping by political committees and funds; increasing the amount of permissible anonymous contributions; providing a tax credit for contributions to political committees and funds; imposing criminal and civil penalties; amending Minnesota Statutes 1984, sections 10A.01, subdivisions 7 and 10; 10A.20, subdivision 3; 10A.22, subdivision 7; 210A.34, subdivision 8, and by adding a subdivision; 290.06, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 10A.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Ogren introduced:

H. F. No. 1694, A bill for an act relating to natural resources; defining terms; maintaining the purity of state waters by restricting the location of hazardous waste disposal sites; amending Minnesota Statutes 1984, sections 115A.03, subdivisions 9 and 13; 115A.075; 115A.18; 115A.20; and 115A.291.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Carlson, D., introduced :

H. F. No. 1695, A bill for an act relating to transportation; providing for certification acceptance of local governments by the commissioner of transportation for federal-aid and state-aid highway projects; amending Minnesota Statutes 1984, section 162.02, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Rest introduced :

H. F. No. 1696, A bill for an act relating to the legislature; reducing its size; amending Minnesota Statutes 1984, sections 2.021 and 2.031, subdivision 1.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Thorson, Backlund and Tompkins introduced :

H. F. No. 1697, A bill for an act relating to libraries; requiring the legislative reference library to process materials for executive departmental libraries; appropriating money; amending Minnesota Statutes 1984, section 3.302, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Johnson introduced :

H. F. No. 1698, A bill for an act relating to partition fences; establishing procedures for establishing and sharing expenses of partition fences; amending Minnesota Statutes 1984, section 346.19, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 344A; repealing Minnesota Statutes, chapter 344.

The bill was read for the first time and referred to the Committee on Agriculture.

Zaffke, Thorson, Thiede, Ogren and Peterson introduced:

H. F. No. 1699, A bill for an act relating to licenses; requiring operators of campgrounds and mobile home parks to procure a license; amending Minnesota Statutes 1984, section 157.03.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Clausnitzer and Tjornhom introduced:

H. F. No. 1700, A bill for an act relating to human services; changing welfare fraud offense provisions; amending Minnesota Statutes 1984, sections 256.98; and 393.07, subdivision 10.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Krueger and Knickerbocker introduced:

H. F. No. 1701, A bill for an act relating to health; requiring notice warning of sulfite use in preparation of food in eating establishments; proposing coding for new law in Minnesota Statutes, chapter 157.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Wenzel, Quinn, Valan, Lieder and Kelly introduced:

H. F. No. 1702, A bill for an act relating to game and fish; priority of certain landowners in drawings for doe permits; fee for deer licenses for the elderly; amending Minnesota Statutes 1984, sections 97.48, subdivision 24; and 98.46, subdivision 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Wenzel, Sarna, Lieder, Quinn and Kelly introduced:

H. F. No. 1703, A resolution memorializing the President and Congress to retain the federal income tax deduction for state and local taxes.

The bill was read for the first time and referred to the Committee on Taxes.

Olsen, S.; Fjoslien; Simoneau; Metzen and Kiffmeyer introduced:

H. F. No. 1704, A bill for an act relating to charitable gambling; authorizing organizations to conduct one event each year at which lawful gambling is conducted without complying with certain regulations; amending Minnesota Statutes 1984, section 349.214, by adding a subdivision.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Uphus introduced:

H. F. No. 1705, A bill for an act relating to state lands; consideration for conveyance of a certain tract of department of natural resources land to the city of Melrose; amending Laws 1984, chapter 599, section 7.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Stanisus introduced:

H. F. No. 1706, A bill for an act relating to taxation; income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Waltman introduced:

H. F. No. 1707, A bill for an act relating to taxation; income; repealing the suspension of inflation adjustments; repealing Minnesota Statutes 1984, section 290.06, subdivision 2f.

The bill was read for the first time and referred to the Committee on Taxes.

Blatz introduced:

H. F. No. 1708, A bill for an act relating to taxation; changing the effective date of the repeal of the residential energy credit; amending Laws 1985, first special session chapter 14, article 1, section 61.

The bill was read for the first time and referred to the Committee on Taxes.

Cohen introduced:

H. F. No. 1709, A bill for an act relating to education; permitting free instruction of nongraduates over age 21; amending Minnesota Statutes 1985 Supplement, section 120.06, subdivision 1.

The bill was read for the first time and referred to the Committee on Education.

Cohen introduced:

H. F. No. 1710, A bill for an act relating to education; appropriating money for a grant to the St. Paul School District for a pilot program at Jefferson Alternatives School.

The bill was read for the first time and referred to the Committee on Education.

Fjoslien introduced:

H. F. No. 1711, A bill for an act relating to taxation; changing the effective date of the repeal of the residential energy credit; amending Laws 1985, first special session chapter 14, article 1, section 61.

The bill was read for the first time and referred to the Committee on Taxes.

Cohen introduced:

H. F. No. 1712, A bill for an act relating to garnishments; providing that a garnishee summons remains in effect until satisfaction of the judgment against the garnishee or one year; amending Minnesota Statutes 1984, section 571.69, subdivision 1; repealing Minnesota Statutes 1984, section 571.69, subdivision 2.

The bill was read for the first time and referred to the Committee on Judiciary.

Cohen introduced:

H. F. No. 1713, A bill for an act relating to insurance; authorizing the commissioner to adopt an assigned risk plan for licensed day care providers; regulating the creation and operation of the plan; amending Minnesota Statutes 1984, section 70A.09.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Fjoslien introduced:

H. F. No. 1714, A bill for an act relating to certain taxation; income; continuing the subtraction for interest on certain seller-sponsored family farm security loans; amending Minnesota Statutes 1985 Supplement, section 290.01, subdivision 20b.

The bill was read for the first time and referred to the Committee on Taxes.

Fjoslien introduced:

H. F. No. 1715, A bill for an act relating to taxation; income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Olsen, S.; Valento; McKasy; Dimler and Pauly introduced:

H. F. No. 1716, A bill for an act relating to taxation; income; repealing the suspension of inflation adjustments; repealing Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2f.

The bill was read for the first time and referred to the Committee on Taxes.

Backlund introduced:

H. F. No. 1717, A bill for an act relating to elections; providing for confidential investigations of alleged violations of the law governing campaign practices; amending Minnesota Statutes 1984, section 10A.02, subdivision 11.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

McPherson introduced:

H. F. No. 1718, A bill for an act relating to state government; rejecting legislative salary increases; amending Laws 1985, first special session chapter 13, section 52, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Uphus, Redalen and Omann introduced:

H. F. No. 1719, A bill for an act relating to agriculture; providing a milk marketing and price stabilization plan; declaring state policy relating to milk; creating a milk stabilization board; authorizing the board to prescribe milk stabilization plans and maximum and minimum prices for marketing milk; requiring licenses for persons involved in milk marketing; prescribing milk marketing violations; authorizing enforcement of disruptive trade practices; authorizing entry, inspection, and investigation of milk marketing practices; requiring records and reports; providing remedies and penalties for milk marketing violations; prescribing judicial review of board decisions and rulemaking actions; authorizing local advisory boards; authorizing assessments on milk processors; establishing a milk stabilization fund; authorizing a referendum on continuance of stabilized prices; proposing coding for new law as Minnesota Statutes, chapter 32C.

The bill was read for the first time and referred to the Committee on Agriculture.

Omann, Erickson and Uphus introduced :

H. F. No. 1720, A bill for an act relating to agriculture; delaying certain mortgage and loan payments; providing for payment of interest by the state; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Redalen, Uphus and Omann introduced :

H. F. No. 1721, A bill for an act relating to taxation; income; allowing a feedlot pollution control equipment credit for tax year 1983; amending Laws 1984, chapter 644, section 85.

The bill was read for the first time and referred to the Committee on Taxes.

Segal introduced :

H. F. No. 1722, A bill for an act relating to public safety; establishing alcohol safety program; authorizing commissioner to make grants to cities and counties to implement alcohol/highway safety plans; establishing alcohol safety fund by adding \$1 to drivers licenses fees; appropriating money; amending Minnesota Statutes 1984, section 171.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 171.

The bill was read for the first time and referred to the Committee on Transportation.

Segal introduced :

H. F. No. 1723, A bill for an act relating to metropolitan government; authorizing the metropolitan council to make loans to local units of government to acquire homestead property damaged because of its proximity to a trunk highway right-of-way or project; amending Minnesota Statutes 1985 Supplement, section 473.167.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Segal introduced:

H. F. No. 1724, A bill for an act relating to education; requiring public post-secondary institutions and systems to disclose certain foreign gifts; proposing coding for new law in Minnesota Statutes, chapter 135A.

The bill was read for the first time and referred to the Committee on Education.

Schreiber; Carlson, J.; Clausnitzer; Tjornhom and Tompkins introduced:

H. F. No. 1725, A bill for an act relating to taxation; income; repealing the suspension of inflation adjustments; repealing Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2f.

The bill was read for the first time and referred to the Committee on Taxes.

Richter and Quist introduced:

H. F. No. 1726, A bill for an act relating to children; providing for grandparents' support of children of their minor dependent children; providing a penalty; amending Minnesota Statutes 1984, sections 256B.14; 256D.15; 609.375; and Minnesota Statutes 1985 Supplement, section 256.87, subdivisions 1, 1a, and 3; proposing coding for new law in Minnesota Statutes, chapter 257.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Richter introduced:

H. F. No. 1727, A bill for an act relating to agriculture; moving Wadena county from area one to area four for purposes of potato industry promotion; amending Minnesota Statutes 1984, section 17.54, subdivision 9.

The bill was read for the first time and referred to the Committee on Agriculture.

Ozment; Onnen; Olsen, S., and Seaberg introduced :

H. F. No. 1728, A bill for an act relating to state government; rejecting legislative salary increases; amending Laws 1985, first special session chapter 13, section 52, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Blatz introduced :

H. F. No. 1729, A bill for an act relating to the family; reducing the statutory time of residency required for a change of name; amending Minnesota Statutes 1984, section 259.10.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Blatz introduced :

H. F. No. 1730, A bill for an act relating to crime; correcting certain erroneous, omitted and obsolete references in and to the criminal sexual conduct statutes; amending Minnesota Statutes 1984, sections 253B.02, subdivision 4a; 260.015, subdivision 24; 494.03; 518B.01, subdivision 2; 609.11, subdivision 9; 609.341, subdivision 3; 609.347, subdivision 3; 609.348; 609.349; 609.35; 611A.03, subdivision 3; and 628.26; and Minnesota Statutes 1985 Supplement, sections 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2 and 3; 609.3471; 609.531, subdivision 1; 626.556, subdivision 2; and 631.045.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Blatz introduced :

H. F. No. 1731, A bill for an act relating to workers' compensation; providing a permanent partial disability rating for certain losses; proposing coding for new law in Minnesota Statutes, chapter 176.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Blatz introduced:

H. F. No. 1732, A bill for an act relating to firearms; permitting certain licensed dealers and manufacturers to own or possess machine guns and short-barreled shotguns for certain purposes; amending Minnesota Statutes 1984, section 609.67, subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Piepho and Frederick introduced:

H. F. No. 1733, A bill for an act relating to education; expanding the definition of eligible institution in the post-secondary enrollment options act; amending Minnesota Statutes 1985 Supplement, section 123.3514, subdivision 3.

The bill was read for the first time and referred to the Committee on Education.

Simoneau, Pappas and Clark introduced:

H. F. No. 1734, A bill for an act relating to crimes; expanding the crimes of assault in the first degree and criminal vehicular operation; prescribing penalties; amending Minnesota Statutes 1984, sections 609.035; 609.21, by adding subdivisions; and 609.221.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Johnson introduced:

H. F. No. 1735, A bill for an act relating to property; requiring service of notice of foreclosure sale upon the mortgagor; amending Minnesota Statutes 1984, section 580.03.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Pappas introduced :

H. F. No. 1736, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Stanius and Clausnitzer introduced :

H. F. No. 1737, A bill for an act relating to state government; rejecting legislative salary increases; amending Laws 1985, first special session chapter 13, section 52, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Johnson and Carlson, D., introduced :

H. F. No. 1738, A bill for an act relating to natural resources; taxation and forfeiture of severed mineral interests; amending Minnesota Statutes 1984, section 93.55, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Price introduced :

H. F. No. 1739, A bill for an act relating to crime; using force or threat of force against revenue department employees; amending Minnesota Statutes 1984, section 609.50.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

O'Connor introduced :

H. F. No. 1740, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

O'Connor introduced :

H. F. No. 1741, A bill for an act relating to retirement; combined service annuities; amending Minnesota Statutes 1984, section 356.30, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

O'Connor introduced :

H. F. No. 1742, A bill for an act relating to utilities; restricting advertising by public utilities, municipally owned utilities, and cooperative electric associations; proposing coding for new law in Minnesota Statutes, chapter 222.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Vellenga, Clausnitzer and Rest introduced :

H. F. No. 1743, A bill for an act relating to unemployment compensation; providing for an exception to coverage for individuals providing certain day care services; amending Minnesota Statutes 1984, section 268.04, subdivision 12.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Quist introduced :

H. F. No. 1744, A bill for an act relating to education; revising the definition of school; prohibiting rulemaking; amending Minnesota Statutes 1985 Supplement, section 120.10.

The bill was read for the first time and referred to the Committee on Education.

Schafer introduced :

H. F. No. 1745, A bill for an act relating to liquor; increasing the age for licensing, consumption, furnishing, purchasing, or possessing liquor or entering a licensed establishment; requiring information on alcohol and driving; prohibiting certain promo-

tional activities; providing increased penalties for underage offenders; amending Minnesota Statutes 1984, sections 171.06, subdivision 3; and 171.13, by adding a subdivision; and Minnesota Statutes 1985 Supplement, sections 340A.301, subdivision 2; 340A.402; 340A.503; 340A.507, by adding a subdivision; and 340A.702.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Frerichs, Welle and Carlson, D., introduced:

H. F. No. 1746, A bill for an act relating to motor vehicles; defining term; establishing category and system of registration of fleet vehicles; amending Minnesota Statutes 1984, section 168.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 168.

The bill was read for the first time and referred to the Committee on Transportation.

Stanius introduced:

H. F. No. 1747, A bill for an act relating to education; changing the post-secondary enrollment options act; amending Minnesota Statutes 1985 Supplement, section 123.3514, subdivisions 4 and 5, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Piepho and Frederick introduced:

H. F. No. 1748, A bill for an act relating to liquor; authorizing the sale of newspapers, magazines, and periodicals in exclusive liquor stores; amending Minnesota Statutes 1985 Supplement, section 340A.101, subdivision 10.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Heap introduced:

H. F. No. 1749, A bill for an act relating to education; allowing transportation aid for certain secondary pupils attending a remote district school for academic reasons; amending Minnesota Statutes 1985 Supplement, section 124.223.

The bill was read for the first time and referred to the Committee on Education.

Dempsey introduced:

H. F. No. 1750, A bill for an act relating to criminal procedure; providing governmental liability for the defendant's attorney fees and costs when the prosecuting attorney appeals; amending Minnesota Statutes 1984, sections 388.051, by adding a subdivision; 487.25, subdivision 10; 488A.10, subdivision 11; and 488A.27, subdivision 11.

The bill was read for the first time and referred to the Committee on Judiciary.

Dempsey introduced:

H. F. No. 1751, A bill for an act relating to public indebtedness; permitting the investment of debt service funds in face amount certificates; amending Minnesota Statutes 1985 Supplement, section 475.66, subdivision 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kvam, by request, introduced:

H. F. No. 1752, A bill for an act relating to insurance; providing deposit requirements for domestic companies; providing for the licensing of credit life and accident insurance agents; requiring annual reports of claims by insurers; providing for the form of the reports and the information to be included in them; requiring the commissioner of insurance to compile and review all reports and to publish a report; regulating covered claims of the

insurance guarantee association; providing temporary joint underwriting of medical malpractice insurance; broadening the fair access to insurance provisions applicable to property insurance; regulating insurance rates and forms; authorizing the creation of assigned risk plans for casualty insurance; amending Minnesota Statutes 1984, sections 60A.13, by adding a subdivision; 60C.09, subdivision 1; 62F.06, subdivision 1; 62F.09; 65A.32; 65A.33; 65A.34, subdivision 1; 65A.35, subdivisions 1 and 2; 65A.37; 70A.04, subdivision 2, and by adding a subdivision; 70A.06, subdivision 1; 70A.08, subdivision 2; and 70A.09; Minnesota Statutes 1985 Supplement, sections 60A.10, subdivision 1; and 60A.17, subdivision 1a; repealing Minnesota Statutes 1984, section 70A.06, subdivision 4.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Dempsey introduced:

H. F. No. 1753, A bill for an act relating to taxation; changing the property tax payment, settlement, and distribution dates; amending Minnesota Statutes 1984, sections 276.09; 276.10; 278.03; 473F.08, subdivision 7a; Minnesota Statutes 1985 Supplement, sections 278.01, subdivisions 1 and 2; 278.05, subdivision 5; and 279.01, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Dempsey, Schafer and Quist introduced:

H. F. No. 1754, A bill for an act relating to taxation; exempting interest earned on certain loans secured under the family farm security program from the income tax; amending Minnesota Statutes 1984, section 41.58, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Greenfield introduced:

H. F. No. 1755, A bill for an act relating to the city of Minneapolis; authorizing the city to construct and own certain facilities; authorizing the city to levy and collect certain taxes; authorizing the city to issue bonds and expend certain funds including taxes and tax increments to finance the acquisition and betterment of a convention center and related facilities.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Olsen, S., and Segal introduced:

H. F. No. 1756, A bill for an act relating to the city of St. Louis Park; granting the city the powers of a port authority; permitting the city to choose the name of the port authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Dempsey, Backlund, Pappas and McPherson introduced:

H. F. No. 1757, A bill for an act relating to courts; altering the responsibility for the procedure to be followed when filing a change of name with the county recorder; eliminating the limits on the amount of bond to be posted by the clerk of court; prohibiting employees of the clerk's office from practicing law in the court in which they are employed; amending Minnesota Statutes 1984, section 259.11; and Minnesota Statutes 1985 Supplement, section 485.01.

The bill was read for the first time and referred to the Committee on Judiciary.

Hartle, Rees, Frederickson, Sviggum and Knickerbocker introduced:

H. F. No. 1758, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Dempsey and Valan introduced:

H. F. No. 1759, A bill for an act relating to taxation; property; extending the second installment payment date by 30 days in the case of certain agricultural property; amending Minnesota Statutes 1985 Supplement, section 279.01.

The bill was read for the first time and referred to the Committee on Taxes.

Tompkins and Rees introduced :

H. F. No. 1760, A bill for an act relating to education ; providing equity revenue to raise foundation and tier revenue in all school districts to state average ; appropriating money ; proposing coding for new law in Minnesota Statutes, chapter 124A.

The bill was read for the first time and referred to the Committee on Education.

Redalen, Uphus and Jennings, D., introduced :

H. F. No. 1761, A bill for an act relating to commerce ; prohibiting certain mortgage foreclosure and foreclosure sales for one year ; prohibiting repossession, foreclosure, and foreclosure sales of certain personal property for one year ; providing for an application to the court to allow repossession, foreclosure, and foreclosure sale ; prohibiting actions for deficiency judgments ; providing for the parties to compromise.

The bill was read for the first time and referred to the Committee on Agriculture.

Anderson, R. ; Nelson, K., and Erickson introduced :

H. F. No. 1762, A resolution relating to education ; memorializing the President and Congress of the United States to take action to officially commend those who have assisted the educational process of this country by operating the country's school buses.

The bill was read for the first time and referred to the Committee on Education.

Quist, Schafer, Kiffmeyer, Dempsey and Sparby introduced :

H. F. No. 1763, A bill for an act relating to crimes ; creating certain crimes against a fetus ; prohibiting acts which cause the death of or injury to a fetus ; imposing penalties ; amending Minnesota Statutes 1984, sections 609.035 and 609.18 ; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Blatz introduced:

H. F. No. 1764, A bill for an act relating to commerce; providing medical malpractice insurance to health care providers who are unable to obtain the coverage in the voluntary market; regulating malpractice actions against health care providers; providing certification of expert review and the waiver of privilege by health care providers; requiring disclosure of experts; revising the statute of limitations for minors; removing punitive damages; limiting noneconomic losses; changing the collateral source rule; and providing periodic payments of damages exceeding a threshold limitation; amending Minnesota Statutes 1984, sections 62F.04, subdivision 1, and by adding a subdivision; 62F.06, subdivision 1; 541.15; 549.09, subdivision 1; 549.20, subdivision 1, and by adding a subdivision; and 595.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Clausnitzer, Jaros, Boo and Miller introduced:

H. F. No. 1765, A bill for an act relating to human services; prohibiting local governments from establishing special fire code requirements for small family day care homes; amending Minnesota Statutes 1984, section 299F.011, subdivision 4a.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Olsen, S.; Erickson; Kostohryz; Schafer and Wenzel introduced:

H. F. No. 1766, A bill for an act relating to education; making a technical correction to the capital expenditure aid provision; amending Minnesota Statutes 1985 Supplement, section 124.245, subdivision 1.

The bill was read for the first time and referred to the Committee on Education.

Schreiber introduced:

H. F. No. 1767, A bill for an act relating to taxation; imposing a tax on marijuana and controlled substances; requiring dealers in marijuana and controlled substances to obtain a license; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 297D.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Dempsey; Kvam; Boerboom; Jennings, L., and Dimler introduced:

H. F. No. 1768, A bill for an act relating to taxation; income; clarifying the alternative minimum tax treatment of gain realized on certain sales of agricultural production property; amending Minnesota Statutes 1985 Supplement, sections 290.091, subdivision 2; and 290.491.

The bill was read for the first time and referred to the Committee on Taxes.

Richter and Schafer introduced:

H. F. No. 1769, A bill for an act relating to state government; repealing legislative and certain executive branch salary increases; amending Laws 1985, first special session chapter 13, section 52, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Richter and Schafer introduced:

H. F. No. 1770, A bill for an act relating to game and fish; deer licenses and seasons for certain landowners; amending Minnesota Statutes 1984, section 98.47, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Ogren and Carlson, D., introduced:

H. F. No. 1771, A bill for an act relating to local government; permitting an agreement to finance library construction in McGregor.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Dempsey, Boerboom, Kalis, Piepho and Schoenfeld introduced:

H. F. No. 1772, A bill for an act relating to courts; increasing fees to be collected; clarifying existing fee statutes; amending Minnesota Statutes 1984, section 176.451, subdivision 3; 487.31, subdivisions 1 and 4; 487.33; 514.70; 525.031; and 525.033; Minnesota Statutes 1985 Supplement, section 357.021, subdivision 2.

The bill was read for the first time and referred to the Committee on Judiciary.

Seaberg; Nelson, K.; Tompkins; Tjornhom and Bennett introduced:

H. F. No. 1773, A bill for an act relating to consumer protection; regulating the labeling, advertising, and distribution of smokeless tobacco products; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Zaffke introduced:

H. F. No. 1774, A bill for an act relating to human services; requiring adoption of the 1985 life safety code standards for intermediate care facilities for persons with mental retardation.

The bill was read for the first time and referred to the Committee on Health and Human Services.

McDonald, for the Committee on Agriculture, introduced:

H. F. No. 1775, A bill for an act relating to agriculture; establishing a family farm advocate program; providing for "buy-down" of interest rates on certain farm loans; re-allocating certain wage subsidy money; providing for mediation of certain agricultural loan disputes; changing certain income and property tax provisions; appropriating money; amending Minnesota Statutes 1984, sections 41.57, by adding a subdivision; 279.01, as amended; 290.08, by adding a subdivision; 290.09, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 268.6751, subdivision 1; 268.676, subdivision 1; 290.01, subdivisions 20a and 20b; 290.491; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time and referred to the Committee on Agriculture.

Olsen, S.; Rees; McKasy and Brinkman introduced:

H. F. No. 1776, A bill for an act relating to commerce; providing immunity to municipalities for certain claims; regulating certain self-insurance pools; abolishing the collateral source rule; requiring judgments to be paid in periodic installments rather than a lump sum upon request of either party; abolishing punitive damages in civil actions; placing a monetary maximum on the amount recoverable as intangible damages; eliminating joint liability in tort; amending Minnesota Statutes 1984, sections 466.01, subdivision 1; 466.03, subdivisions 4 and 6b, and by adding subdivisions; 471.982, subdivision 3; 549.09, subdivision 1; 549.20, subdivision 1; and 604.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 466, 481, 548, and 549; repealing Minnesota Statutes 1984, section 549.20, subdivisions 2 and 3.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Simoneau introduced:

H. F. No. 1777, A bill for an act relating to public safety; requiring smoke detectors in hallways of apartment houses, lodging houses, and hotels; amending Minnesota Statutes 1985 Supplement, section 299F.362, subdivision 4.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Simoneau introduced:

H. F. No. 1778, A bill for an act relating to public safety; requiring smoke detectors in two-family dwellings; amending Minnesota Statutes 1985 Supplement, section 299F.362, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Rose, Wynia and McDonald introduced:

H. F. No. 1779, A bill for an act relating to the University of Minnesota; appropriating money for agricultural extension service and experiment station projects.

The bill was read for the first time and referred to the Committee on Education.

Dempsey introduced:

H. F. No. 1780, A bill for an act relating to taxation; providing additional payments for certain sellers under the family farm security loan program; exempting certain capital gains on farm property from income taxation; providing a subtraction from gross income for interest received under loans for on-farm fuel alcohol facilities; clarifying the insolvency exemption; appropriating money; amending Minnesota Statutes 1984, sections 41.57, by adding a subdivision; 290.08, by adding a subdivision; 290.09, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 290.01, subdivisions 20a and 20b; and 290.491.

The bill was read for the first time and referred to the Committee on Taxes.

Dempsey, Tunheim, Redalen and Schafer introduced:

H. F. No. 1781, A bill for an act relating to real property; permitting redemption of agricultural homestead; amending Minnesota Statutes 1984, sections 581.10; and 582.04; proposing coding for new law in Minnesota Statutes, chapter 580.

The bill was read for the first time and referred to the Committee on Judiciary.

Anderson, R., introduced:

H. F. No. 1782, A bill for an act relating to lakes; permitting the creation of the Pelican Lake conservation district in Otter Tail county with certain powers; providing penalties.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Clark introduced:

H. F. No. 1783, A bill for an act relating to collection and dissemination of data; waiving costs for copying data for journalists and the indigent; amending Minnesota Statutes 1985 Supplement, section 13.03, subdivision 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Clark introduced:

H. F. No. 1784, A bill for an act relating to human services; authorizing earned income savings accounts for general assistance recipients in residential chemical dependency treatment programs; amending Minnesota Statutes 1985 Supplement, section 256D.06, subdivision 1b.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Backlund, Simoneau, Hartinger and Voss introduced:

H. F. No. 1785, A bill for an act relating to Anoka county; providing that Anoka county park ordinances supersede local ordinances.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

McKasy introduced:

H. F. No. 1786, A bill for an act relating to taxation; sales and use; exempting certain sales of capital equipment; exempting certain sales of safety equipment; exempting certain sales of pollution control equipment; amending Minnesota Statutes 1984, section 297A.01, subdivision 16; Minnesota Statutes 1985 Supplement, sections 297A.02, subdivision 2; 297A.14; 297A.15, subdivision 5; 297A.25, subdivision 1; 297A.257, subdivision 2; repealing Minnesota Statutes 1985 Supplement, section 297A.257, subdivisions 1 and 3.

The bill was read for the first time and referred to the Committee on Taxes.

Levi introduced:

H. F. No. 1787, A bill for an act relating to education; independent school district No. 832, Mahtomedi; authorizing a one-time extra capital levy subject to a reverse referendum.

The bill was read for the first time and referred to the Committee on Education.

Nelson, D., introduced:

H. F. No. 1788, A bill for an act relating to consumer protection; requiring the labeling of irradiated foods; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 31.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Skoglund introduced:

H. F. No. 1789, A bill for an act relating to financial institutions; extending the EFT law to terminals located on the premises of a financial institution; amending Minnesota Statutes 1984, section 47.61, subdivision 3.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Olsen, S., introduced:

H. F. No. 1790, A bill for an act relating to taxation; income; exempting certain income of elderly persons from taxation; amending Minnesota Statutes 1985 Supplement, sections 290.01, subdivision 20b; and 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Johnson introduced:

H. F. No. 1791, A bill for an act relating to human services; providing for a limit in the increase of negotiated rates of certain facilities receiving reimbursement through general assistance funds; amending Minnesota Statutes 1985 Supplement, section 256D.37, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Johnson introduced:

H. F. No. 1792, A bill for an act relating to state government; collection and processing of certain permit fees; transferring appropriations; amending Minnesota Statutes 1985 Supplement, sections 16A.128; and 116.07, subdivision 4d; and Laws 1985, first special session chapter 13, sections 26, subdivisions 1 and 2; and 28, subdivisions 1 and 6.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Johnson and Carlson, D., introduced:

H. F. No. 1793, A bill for an act relating to game and fish; authorizing stocking of fish in certain streams where public access is granted; amending Minnesota Statutes 1984, section 97.485.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Gruenes, Onnen, Rodosovich and Uphus introduced:

H. F. No. 1794, A bill for an act relating to human services; extending the deadline for permanent rules for nursing home reimbursement under the medical assistance program; amending Minnesota Statutes 1984, section 256B.431, subdivision 6.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Nelson, D.; Quist and Onnen introduced:

H. F. No. 1795, A bill for an act relating to highway traffic regulations; reducing alcohol concentration limits relating to evidence of driving under the influence of alcohol; amending Minnesota Statutes 1984, sections 169.121, subdivisions 2 and 8; 169.123, subdivisions 4, 5a, and 6; and 609.21; and Minnesota Statutes 1985 Supplement, sections 169.121, subdivision 1; 169.123, subdivision 2; and 169.129.

The bill was read for the first time and referred to the Committee on Transportation.

Dempsey, Johnson and Dimler introduced:

H. F. No. 1796, A bill for an act relating to agriculture; providing a method for the division of crops on land subject to foreclosure or execution; proposing coding for new law in Minnesota Statutes, chapter 561.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Dempsey; Tunheim; Jennings, D.; Uphus and Kalis introduced:

H. F. No. 1797, A bill for an act relating to courts; repealing the law that requires the supreme court to determine whether vacant judicial offices are necessary; repealing Minnesota Statutes 1985 Supplement, section 2.722.

The bill was read for the first time and referred to the Committee on Judiciary.

Ogren and Carlson, D., introduced:

H. F. No. 1798, A bill for an act relating to Aitkin county; permitting the county to levy a tax for development purposes.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Anderson, R., introduced:

H. F. No. 1799, A bill for an act relating to education; independent school district No. 544, Fergus Falls; authorizing a fund transfer.

The bill was read for the first time and referred to the Committee on Education.

Anderson, R., introduced:

H. F. No. 1800, A bill for an act relating to local government; authorizing the counties of Becker, Grant, Hubbard, Otter Tail, Stevens, Todd, Traverse, Wadena, and Wilkin to enter into contracts and agreements for solid waste management.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Ozment introduced :

H. F. No. 1801, A bill for an act relating to cemeteries; providing for maintenance of certain cemeteries; amending Minnesota Statutes 1984, section 306.245.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

McEachern introduced :

H. F. No. 1802, A bill for an act relating to libraries; prohibiting regional library basic system support grants under certain conditions; amending Minnesota Statutes 1984, section 134.35.

The bill was read for the first time and referred to the Committee on Education.

Uphus introduced :

H. F. No. 1803, A bill for an act relating to traffic regulations; authorizing municipalities to permit handicapped persons to operate three-wheel off-road vehicles on city streets and roads under certain conditions; amending Minnesota Statutes 1984, section 169.045.

The bill was read for the first time and referred to the Committee on Transportation.

Nelson, K.; Forsythe; Tjornhom; Skoglund and Brandl introduced :

H. F. No. 1804, A bill for an act relating to airports; requiring approval of pollution control agency for expanded capacity at Minneapolis-St. Paul International Airport; amending Minnesota Statutes 1984, section 473.612.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Tunheim introduced:

H. F. No. 1805, A bill for an act relating to lotteries; proposing an amendment to the Minnesota Constitution, article XIII, section 5, allowing the legislature to authorize a state-operated lottery with net revenues dedicated to reducing school district property taxes; establishing a state lottery agency and a state lottery board; authorizing a state lottery and providing for its operation and administration; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 10A.01, subdivision 18; 290.09, by adding a subdivision; and 609.761; Minnesota Statutes 1985 Supplement, section 15A.081, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 349A.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Rees introduced:

H. F. No. 1806, A bill for an act relating to credit unions; permitting credit unions to offer self-directed individual retirement accounts; amending Minnesota Statutes 1985 Supplement, section 52.04, subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Carlson, J., introduced:

H. F. No. 1807, A bill for an act relating to local government; providing for the coordination of various development authorities in Moorhead and Clay county.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Redalen and McDonald introduced:

H. F. No. 1808, A bill for an act relating to agriculture; providing for mediation before debt collection practices are initiated against agricultural property; establishing a farm mediation commission and prescribing powers and duties; establishing farm mediation boards; prescribing mediation notices and

certain conditions before debt collection is started; providing for voluntary mediation; prescribing procedures for mandatory mediation; authorizing debt restructuring; authorizing postponement orders and requiring farm financial plans under certain conditions; classifying certain data; authorizing closed meetings; authorizing rules; providing for appeals; appropriating money; amending Minnesota Statutes 1984, sections 336.9-501; 580.01; proposing coding for new law in Minnesota Statutes, chapters 550; 559; 581; and 583.

The bill was read for the first time and referred to the Committee on Agriculture.

Sviggum, Waltman and Wenzel introduced:

H. F. No. 1809, A bill for an act relating to taxation; income; continuing the subtraction for interest on certain family farm security loans; amending Minnesota Statutes 1985 Supplement, section 290.01, subdivision 20b.

The bill was read for the first time and referred to the Committee on Taxes.

Sviggum introduced:

H. F. No. 1810, A bill for an act relating to the city of Red Wing; directing the department of energy and economic development to refund a certain bond deposit; appropriating money.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Sviggum, Waltman and Uphus introduced:

H. F. No. 1811, A bill for an act relating to education; eliminating comparable high school courses from eligible courses under the post-secondary enrollment options program; requiring notification of intent to enroll by students; encouraging counseling prior to participation; amending Minnesota Statutes 1985 Supplement, section 123.3514, subdivisions 4 and 5, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Education.

Sviggum, Onnen, Segal, Greenfield and Quist introduced:

H. F. No. 1812, A bill for an act relating to human services; creating a grant program of caregiver support services; appropriating money.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Tjornhom and Backlund introduced:

H. F. No. 1813, A bill for an act relating to taxation; income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Schafer, Quist and Dempsey introduced:

H. F. No. 1814, A bill for an act relating to courts; altering the procedure for providing notice in certain family court proceedings; amending Minnesota Statutes 1984, sections 518.177; 518.55, subdivision 2; 518.641, subdivision 2; and Minnesota Statutes 1985 Supplement, sections 518.611, subdivision 2; and 518.645.

The bill was read for the first time and referred to the Committee on Judiciary.

The following additional House Files which were not filed pursuant to rule 9.5 were introduced for the 66th legislative day:

Dempsey introduced:

H. F. No. 1815, A bill for an act relating to taxation; real property; prescribing requirements of the sales ratio study used by the state board of equalization; amending Minnesota Statutes 1984, section 270.12, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Schoenfeld and Brown introduced:

H. F. No. 1816, A resolution memorializing Congress to amend the 1985 federal farm bill.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Norton moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1816 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Norton motion and the roll was called. There were 119 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dyke	Knuth	Olson, E.	Sherman
Backlund	Elioff	Kostohryz	Omann	Simoneau
Battaglia	Ellingson	Krueger	Onnen	Skoglund
Beard	Erickson	Kvam	Otis	Solberg
Becklin	Fjoslien	Levi	Ozment	Sparby
Begich	Forsythe	Long	Pappas	Stanius
Bennett	Frederick	Marsh	Pauly	Staten
Bishop	Frederickson	McDonald	Peterson	Sviggum
Blatz	Frerichs	McEachern	Piepho	Thorson
Boerboom	Greenfield	McKasy	Piper	Tjornhom
Boo	Gruenes	McLaughlin	Price	Tomlinson
Brandl	Gutknecht	McPherson	Quinn	Tunheim
Brinkman	Halberg	Metzen	Redalen	Uphus
Brown	Hartinger	Miller	Rees	Valan
Burger	Hartle	Minne	Rest	Valento
Carlson, D.	Himle	Munger	Rice	Vanasek
Carlson, J.	Jacobs	Murphy	Riveness	Vellenga
Carlson, L.	Jaros	Nelson, D.	Rodosovich	Voss
Clark	Jennings, L.	Nelson, K.	Rose	Waltman
Clausnitzer	Johnson	Neuenschwander	Sarna	Welle
Cohen	Kahn	Norton	Scheid	Wenzel
Dempsey	Kalis	O'Connor	Schoenfeld	Wynia
DenOuden	Kelly	Ogren	Seaberg	Spk. Jennings, D.
Dimler	Knickerbocker	Olsen, S.	Segal	

Those who voted in the negative were:

Haukoos	Poppenhagen	Richter	Schreiber	Tompkins
Kiffmeyer	Quist	Schafer	Thiede	Zaffke

The motion prevailed.

Norton moved that the rules of the House be so far suspended that H. F. No. 1816 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 1816 was read for the second time.

H. F. No. 1816 was read for the third time.

Quist moved that H. F. No. 1816 be referred to the Committee on Agriculture.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Quist and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Fjoslien	Kvam	Pauly	Solberg
Backlund	Forsythe	Long	Peterson	Sparby
Battaglia	Frederick	Marsh	Piepho	Stanius
Beard	Frederickson	McDonald	Piper	Staten
Becklin	Frerichs	McEachern	Poppenhagen	Sviggum
Begich	Greenfield	McKasy	Price	Thiede
Bennett	Gruenes	McLaughlin	Quinn	Thorson
Blatz	Gutknecht	McPherson	Quist	Tjornhom
Boerboom	Halberg	Metzen	Redalen	Tomlinson
Boo	Hartinger	Miller	Rees	Tompkins
Brandl	Hartle	Minne	Rest	Tunheim
Brinkman	Haukoos	Munger	Rice	Uphus
Brown	Heap	Murphy	Richter	Valan
Burger	Himle	Nelson, D.	Riveness	Valento
Carlson, J.	Jacobs	Nelson, K.	Rodosovich	Vanasek
Carlson, L.	Jaros	Norton	Sarna	Vellenga
Clark	Jennings, L.	O'Connor	Schafer	Voss
Clausnitzer	Johnson	Ogren	Scheid	Waltman
Cohen	Kahn	Olson, E.	Schoenfeld	Welle
DenOuden	Kalis	Omann	Schreiber	Wenzel
Dimler	Kiffmeyer	Onnen	Seaberg	Wynia
Dyke	Knickerbocker	Osthoff	Segal	Zaffke
Elioff	Knuth	Otis	Sherman	Spk. Jennings, D.
Ellingson	Kostohryz	Ozment	Simoneau	
Erickson	Krueger	Pappas	Skoglund	

Levi moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Quist motion to refer H. F. No. 1816 to the Committee on Agriculture and the roll was called.

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

There were 13 yeas and 113 nays as follows :

Those who voted in the affirmative were :

Burger	Kiffmeyer	Omamm	Schreiber	Valento
Dimler	Marsh	Piepho	Uphus	Zaffke
Gutknecht	McDonald	Quist		

Those who voted in the negative were :

Anderson, G.	Fjoslien	Kvam	Ozment	Skoglund
Backlund	Forsythe	Levi	Pappas	Solberg
Battaglia	Frederickson	Long	Pauly	Sparby
Beard	Frerichs	McEachern	Peterson	Stanius
Becklin	Greenfield	McKasy	Poppenhagen	Staten
Begich	Gruenes	McLaughlin	Price	Sviggum
Bennett	Halberg	McPherson	Quinn	Thiede
Bishop	Hartinger	Metzen	Redalen	Thorson
Blatz	Hartle	Miller	Rees	Tjornhom
Boerboom	Haukoos	Minne	Rest	Tomlinson
Brandl	Heap	Munger	Rice	Tompkins
Brinkman	Himle	Murphy	Richter	Tunheim
Brown	Jacobs	Nelson, D.	Riveness	Valan
Carlson, J.	Jaros	Nelson, K.	Rodosovich	Vanasek
Carlson, L.	Jennings, L.	Neuenschwander	Rose	Vellenga
Clark	Johnson	Norton	Sarna	Voss
Clausnitzer	Kahn	O'Connor	Schafer	Waltman
Cohen	Kalis	Ogren	Scheid	Welle
Dempsey	Kelly	Olsen, S.	Schoenfeld	Wenzel
Dyke	Knickerbocker	Olson, E.	Seaberg	Wynia
Elioff	Knuth	Onnen	Segal	Spk. Jennings, D.
Ellingson	Kostohryz	Osthoff	Sherman	
Erickson	Krueger	Otis	Simoneau	

The motion did not prevail.

H. F. No. 1816, A resolution memorializing Congress to amend the 1985 federal farm bill.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

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

There were 115 yeas and 15 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Bishop	Burger	Elioff	Frerichs
Backlund	Blatz	Carlson, L.	Ellingson	Greenfield
Battaglia	Boerboom	Clark	Erickson	Gruenes
Beard	Boo	Cohen	Fjoslien	Halberg
Becklin	Brandl	Dempsey	Forsythe	Hartinger
Begich	Brinkman	DenOuden	Frederick	Hartle
Bennett	Brown	Dyke	Frederickson	Haukoos

Heap	McEachern	Olson, E.	Riveness	Sviggum
Himle	McKasy	Omann	Rodosovich	Thorson
Jacobs	McLaughlin	Onnen	Rose	Tjornhom
Jaros	McPherson	Osthoff	Sarna	Tomlinson
Jennings, L.	Metzen	Otis	Schafer	Tunheim
Johnson	Miller	Ozment	Scheid	Uphus
Kahn	Minne	Pappas	Schoenfeld	Valan
Kalis	Munger	Peterson	Seaberg	Valento
Kelly	Murphy	Piper	Segal	Vanasek
Knickerbocker	Nelson, D.	Poppenhagen	Sherman	Vellenga
Knuth	Nelson, K.	Price	Simoneau	Voss
Kostohryz	Neuenschwander	Quinn	Skoglund	Waltman
Krueger	Norton	Redalen	Solberg	Welle
Kvam	O'Connor	Rees	Sparby	Wenzel
Levi	Ogren	Rest	Stanius	Wynia
Long	Olsen, S.	Rice	Staten	Spk. Jennings, D.

Those who voted in the negative were:

Carlson, J.	Gutknecht	McDonald	Quist	Thiede
Clausnitzer	Kiffmeyer	Pauly	Richter	Tompkins
Dimler	Marsh	Piepho	Schreiber	Zaffke

The bill was passed and its title agreed to.

INTRODUCTION AND FIRST READING OF HOUSE BILLS, Continued

Johnson introduced:

H. F. No. 1817, A bill for an act relating to water; appropriating money to the commissioner of natural resources for dam reconstruction in Winona county.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

McEachern introduced:

H. F. No. 1818, A bill for an act relating to education; making modifications in the post-secondary enrollment options act; amending Minnesota Statutes 1985 Supplement, section 123.3514, subdivisions 2, 4, and 5, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Education.

McPherson, Levi and Beard introduced:

H. F. No. 1819, A bill for an act relating to counties; making optional a county building commission law; amending Minnesota Statutes 1984, section 394.01.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

McPherson, Levi and Beard introduced :

H. F. No. 1820, A bill for an act relating to local improvements; permitting counties to make certain improvements anywhere within their territory; amending Minnesota Statutes 1984, section 429.011, subdivision 5.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

McPherson and Levi introduced :

H. F. No. 1821, A bill for an act relating to real property; requiring condominium plats after July 31, 1986; requiring certification by a registered land surveyor only, that condominium plat accurately depicts certain required information in 515A.2-110; amending Minnesota Statutes 1984, sections 515A.1-102; 515A.1-103; 515A.2-105; 515A.2-110; 515A.2-114; 515A.2-115; 515A.2-116; 515A.4-102; 515A.4-107; 515A.4-116; and 515A.4-117; and Minnesota Statutes 1985 Supplement, sections 389.09; 508.82; and 508A.82.

The bill was read for the first time and referred to the Committee on Judiciary.

McKasy introduced :

H. F. No. 1822, A bill for an act relating to trusts; providing for the standard of care of trustees; authorizing certain investments of trust property; providing for powers of trustees; amending Minnesota Statutes 1984, sections 501.125, subdivision 1, and by adding a subdivision; and 501.66, subdivision 28, and by adding a subdivision; Minnesota Statutes 1985 Supplement, section 501.125, subdivision 6.

The bill was read for the first time and referred to the Committee on Judiciary.

Uphus, Redalen and Sparby introduced :

H. F. No. 1823, A bill for an act relating to agriculture; delaying deficiency judgments for two years on real and personal agricultural production property secured prior to January 1, 1986; prohibiting deficiency judgments against real and personal agricultural production property secured after January 1, 1986; amending Minnesota Statutes 1984, sections 336.9-502; 580.23, subdivision 1; and 581.09; proposing coding for new law in Minnesota Statutes, chapters 580 and 582.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Bishop, Backlund, Rest and Piper introduced:

H. F. No. 1824, A bill for an act relating to statutes; adopting a gender neutral revision of Minnesota Statutes; providing for no substantive change; granting certain editorial authority to the revisor of statutes; amending Minnesota Statutes 1984, section 3C.10, subdivision 1.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

McEachern and Wenzel introduced:

H. F. No. 1825, A bill for an act relating to motor vehicles; providing for special license plates for emergency services volunteers; amending Minnesota Statutes 1984, section 168.12, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Fjoslien, Dimler, Osthoff, Richter and Quinn introduced:

H. F. No. 1826, A resolution memorializing the governments of the United States and the Socialist Republic of Vietnam to take all possible actions to determine the fate of persons missing in action in Southeast Asia; joining with the families of those who are missing in the hope that their long wait will soon be over.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

McKasy and Brandl introduced:

H. F. No. 1827, A bill for an act relating to taxation; updating income tax and property tax refund provisions to the Internal Revenue Code; making technical corrections and administrative changes to income tax and property tax refund laws; amending Minnesota Statutes 1984, sections 271.06, subdivision 6; 290.06, subdivision 1; 290.067, subdivision 2; 290.281, subdivision 5; 290.36; 290.50, subdivision 3; 290.56, subdivision 3; and 290A.03, subdivision 8; Minnesota Statutes 1985 Supplement, sections 270.77; 290.01, subdivision 20; 290.06, subdivision 3g; 290.068, subdivision 3; 290.079, subdivision 1; 290.089, subdivision 3; 290.09, subdivision 7; 290.091, subdivision 2; 290.095, subdivisions 9 and 11; 290.10; 290.12, subdivision 2; 290.13, subdivision 1; 290.132, subdivision 1; 290.14; 290.16, subdivisions 7 and 15; 290.21, subdivision 4; 290.41, subdivision 1; 290.92, subdivision

2a; 290.93, subdivision 10; and 290A.03, subdivision 3; repealing Minnesota Statutes 1984, sections 290.06, subdivision 15; 290.39, subdivision 1a; and 290A.04, subdivision 2f; and Laws 1985, first special session chapter 14, article 21, sections 16 and 17.

The bill was read for the first time and referred to the Committee on Taxes.

Rest introduced:

H. F. No. 1828, A bill for an act relating to financial institutions; requiring notice of tax consequences of forgiving a mortgage loan; proposing coding for new law in Minnesota Statutes, chapter 47.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Rest and Krueger introduced:

H. F. No. 1829, A bill for an act relating to insurance; prohibiting employers from mandating employee choice of alternative plans of health coverage; prohibiting related employees of the same employer from being considered dependents of each other under each respective plan of health coverage; amending Minnesota Statutes 1984, section 62E.03, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Riveness, Knuth, Peterson, Otis and Anderson, G., introduced:

H. F. No. 1830, A bill for an act relating to taxation; property; providing a state paid small business property tax credit; amending Minnesota Statutes 1985 Supplement, sections 273.13, subdivision 15a; 273.1392; and 276.04; proposing coding for new law in Minnesota Statutes, chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Rest; Osthoff; Peterson; Anderson, G., and Segal introduced:

H. F. No. 1831, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Carlson, D., introduced:

H. F. No. 1832, A bill for an act relating to taxation; extending the pension exclusion to recipients of federal law enforcement officers' pensions under age 65; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Carlson, D., introduced:

H. F. No. 1833, A bill for an act relating to independent school district No. 97, Moose Lake; authorizing an excess capital outlay levy for two years.

The bill was read for the first time and referred to the Committee on Education.

Segal introduced:

H. F. No. 1834, A bill for an act relating to animals; prohibiting theft of dogs or cats for research purposes; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 346.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Bishop and Blatz introduced:

H. F. No. 1835, A bill for an act relating to crimes; prohibiting the solicitation of children to engage in sexual conduct; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Rest introduced:

H. F. No. 1836, A bill for an act relating to taxation; corporate income; providing quick refunds of overpayments of estimated tax; amending Minnesota Statutes 1985 Supplement, section 290.936; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

McDonald, Dyke, Frederickson and Uphus introduced :

H. F. No. 1837, A bill for an act relating to agriculture; establishing a legal assistance program for family farmers; prescribing eligibility requirements for persons to receive legal assistance; providing requirements for the legal assistance provider; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 480.

The bill was read for the first time and referred to the Committee on Agriculture.

Richter and Waltman introduced :

H. F. No. 1838, A bill for an act relating to agriculture; defining "milk," "skim milk," and "lowfat milk"; amending Minnesota Statutes 1984, section 32.391, subdivision 1, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Agriculture.

Johnson introduced :

H. F. No. 1839, A bill for an act relating to the legislature; expanding when fiscal notes must be prepared on statutes, executive orders, or rules; requiring fiscal notes for new or increased fees; amending Minnesota Statutes 1985 Supplement, section 3.981, subdivision 2.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Bishop introduced :

H. F. No. 1840, A bill for an act relating to crimes; making it a felony to assault or injure a pregnant woman; expanding the crime of criminal vehicular operation; imposing penalties; amending Minnesota Statutes 1984, sections 609.035; and 609.-21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Bishop introduced:

H. F. No. 1841, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1984, sections 8.32, subdivision 2; 10A.01, subdivision 11; 10A.04, subdivision 4a; 16A.631; 47.58, subdivision 5; 62D.22, subdivision 8; 116C.03, subdivision 2; 116J.70, subdivision 2a; 116M.08, subdivision 17; 121.15, subdivision 2; 124.155, subdivision 1; 124A.02, subdivision 14; 136D.74, subdivision 2; 144.224; 176A.01, subdivision 1; 179A.10, subdivision 3; 253B.02, subdivision 4a; 260.015, subdivision 24; 260.245; 327C.07, subdivision 3a; 349.214, subdivision 2; 383A.23, subdivision 5; 385.24; 403.12, subdivision 1; 414.061, subdivisions 4 and 4a; 462A.21, subdivision 8a; 494.03; 518B.01, subdivision 2; 571.495, subdivision 2; 590.01, subdivision 1; 609.346, subdivision 3; 609.347, subdivision 3; 609.348; 609.35; 611A.03, subdivision 3; 628.26; Minnesota Statutes 1985 Supplement, sections 47.20, subdivision 6c; 64B.05, subdivision 1; 64B.37, subdivision 2; 69.011, subdivision 1; 97.50, subdivision 1; 116M.03, subdivision 28; 124.32, subdivision 1d; 145.917, subdivision 4; 147.01, subdivision 4; 147.073, subdivision 1; 168.27, subdivision 11; 248.07, subdivision 7; 256B.091, subdivision 4; 256D.37, subdivision 1; 256F.05, subdivision 4; 256F.06, subdivision 1; 273.124, subdivision 5; 297C.03, subdivision 1; 298.02, subdivision 1; 340A.702; 356.216; 358.44; 414.061, subdivision 5; 458.16, subdivision 6; 473.831, subdivision 1; 527.41; 527.42; 527.43; 528.15; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.3471; 626.556, subdivision 2; 631.045; proposing coding for new law in Minnesota Statutes, chapter 206; repealing Minnesota Statutes 1984, section 35.067; 383A.23, subdivisions 2, 3, and 4; 403.12, subdivisions 2 and 3; Laws 1984, chapter 560, section 24; Laws 1985, chapters 248, sections 28 and 29; 252, section 24; Laws 1985, First Special Session: chapters 9, article 2, section 89; 14, article 3, section 13; 14, article 4, sections 37 and 91.

The bill was read for the first time and referred to the Committee on Judiciary.

Dimler; Schoenfeld; Carlson, D., and McDonald introduced:

H. F. No. 1842, A bill for an act relating to agriculture; removing the liability of persons who buy farm products; repealing the notification and registration system for security interests in farm products; amending Minnesota Statutes 1985 Supplement, section 336.9-307; repealing Laws 1985, chapter 233, sections 1 to 6.

The bill was read for the first time and referred to the Committee on Agriculture.

Kostohryz introduced :

H. F. No. 1843, A bill for an act relating to lotteries; proposing an amendment to the Minnesota Constitution to repeal the prohibition against lotteries and the sale of lottery tickets; establishing a state lottery agency and a state lottery board; authorizing a state lottery and providing for its operation and administration; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 10A.01, subdivision 18; 290.09, by adding a subdivision; and 609.761; Minnesota Statutes 1985 Supplement, section 15A.081, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 349A.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Dempsey, Wenzel, Blatz, Forsythe and Quist introduced :

H. F. No. 1844, A bill for an act relating to crimes; making it a felony to cause the death of or injure an unborn child; prescribing penalties; amending Minnesota Statutes 1984, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Kostohryz introduced :

H. F. No. 1845, A bill for an act relating to charitable gambling; imposing restrictions on expenditure of profits; allowing licensed organizations to conduct gambling, including casino games, without a license under certain circumstances; providing for exemptions from criminal laws for gambling authorized under the charitable gambling law; amending Minnesota Statutes 1984, sections 349.12, subdivision 2; 349.15, by adding a subdivision; 349.214, by adding subdivisions; 349.31, subdivision 1; and 609.761.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Redalen; Carlson, D.; McDonald and Wenzel introduced :

H. F. No. 1846, A bill for an act relating to agriculture; establishing filing requirements, enforcement, and priority of veterinarian's lien; amending Minnesota Statutes 1984, section 514.92.

The bill was read for the first time and referred to the Committee on Agriculture.

Gutknecht introduced :

H. F. No. 1847, A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; setting the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, sections 14.48; 14.51; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Waltman introduced :

H. F. No. 1848, A bill for an act relating to insurance; requiring a certain program of studies for applicants for resident insurance agent licenses; amending Minnesota Statutes 1985 Supplement, section 60A.17, subdivision 1a.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Bishop introduced :

H. F. No. 1849, A bill for an act relating to civil actions; providing the manner of claiming punitive damages; proposing coding for new law in Minnesota Statutes, chapter 549.

The bill was read for the first time and referred to the Committee on Judiciary.

Bishop introduced :

H. F. No. 1850, A bill for an act relating to intoxicating liquor; authorizing the city of Rochester to issue an on-sale license to a concessionaire at the Mayo civic auditorium.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

McKasy introduced :

H. F. No. 1851, A bill for an act relating to civil actions; providing a cause of action for sexual exploitation; proposing coding for new law as Minnesota Statutes, chapter 148A.

The bill was read for the first time and referred to the Committee on Judiciary.

Bennett, Piepho, Seaberg, Brinkman and Rose introduced :

H. F. No. 1852, A bill for an act relating to commerce; regulating those who package soft drinks and other nonalcoholic beverages; increasing certain vending machine inspection fees; clarifying authority to inspect vending machines; clarifying rulemaking authority of commissioner of agriculture; amending Minnesota Statutes 1984, sections 28A.05; 28A.09, subdivision 1; 34.03; and 34.09; repealing Minnesota Statutes 1984, section 34.05.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

McPherson, Levi and Beard introduced :

H. F. No. 1853, A bill for an act relating to public indebtedness; permitting home rule charter and statutory cities to incur debt for warning systems; amending Minnesota Statutes 1984, section 475.52, subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Welle, Krueger, Schoenfeld, Brown and Tunheim introduced:

H. F. No. 1854, A bill for an act relating to taxation; property; providing a state paid small business property tax credit; amending Minnesota Statutes 1985 Supplement, sections 273.13, subdivision 15a; 273.1392; and 276.04; proposing coding for new law in Minnesota Statutes, chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Riveness, Price, Welle and Rest introduced:

H. F. No. 1855, A bill for an act relating to taxation; individual income; permitting certain unmarried individuals to file joint returns; amending Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2c.

The bill was read for the first time and referred to the Committee on Taxes.

Stanius introduced:

H. F. No. 1856, A bill for an act relating to children; requiring certain information at initial enrollment in a school; requiring periodic bulletins on missing children; amending Minnesota Statutes 1984, section 299C.53, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 123.

The bill was read for the first time and referred to the Committee on Education.

Richter introduced:

H. F. No. 1857, A bill for an act relating to education; requiring the department of education to make certain recalculations involving independent school district No. 545, Henning.

The bill was read for the first time and referred to the Committee on Education.

Carlson, D.; Levi; Voss; Anderson, G., and Valento introduced :

H. F. No. 1858, A bill for an act relating to the arts; changing the membership requirements for the board of the arts; changing the qualifications for certain grants; amending Minnesota Statutes 1984, sections 139.08, subdivision 1; and 139.10, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Governmental Operations.

HOUSE ADVISORIES

House Advisory Nos. 64 through 70 were filed with the Speaker during the recess, given a file number and unofficially referred to committee pursuant to rule 9.5. Following is the official introduction and committee reference :

Clark, Heap, Clausnitzer, Riveness and Pappas introduced :

H. A. No. 64, A proposal to study the impact on youth from federal and state reductions in funding for youth development programs.

The advisory was referred to the Committee on Labor-Management Relations.

Stanisus and Kiffmeyer introduced :

H. A. No. 65, A proposal for an interim study of special education.

The advisory was referred to the Committee on Education.

Carlson, D.; Boerboom; Johnson and Sarna introduced :

H. A. No. 66, A proposal to study methods of improving legislative oversight of highways and highway programs.

The advisory was referred to the Committee on Transportation.

Clark; Carlson, L.; Nelson, K., and Frerichs introduced:

H. A. No. 67, A proposal to study the issue of illiteracy in Minnesota.

The advisory was referred to the Committee on Education.

Clark; Haukoos; Carlson, L.; Boo and Frerichs introduced:

H. A. No. 68, A proposal to examine student loan repayment.

The advisory was referred to the Committee on Education.

Sviggum, Knuth and Wenzel introduced:

H. A. No. 69, A proposal to investigate the issuance of severance payments by units of local government.

The advisory was referred to the Committee on Governmental Operations.

Wenzel, McDonald, Sparby, Richter and Krueger introduced:

H. A. No. 70, A proposal to study the potential for state participation in school milk and lunch programs.

The advisory was referred to the Committee on Agriculture.

Osthoff and Scheid were excused for the remainder of today's session.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I have the honor to announce that the Senate has elected the following officers:

Sven Lindquist, Sergeant-at-Arms

Rev. Philip Weilier, Chaplain.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested :

H. F. No. 628, A bill for an act relating to game and fish; enhancement of fish and wildlife; planning and implementation of wildlife management; conservation of marginal agricultural lands; habitat management; aspen recycling program; appropriating money; amending Minnesota Statutes 1984, sections 97.49, subdivision 3; 97.55, by adding a subdivision; 98.52, by adding a subdivision; 290.431; and 296.421, subdivisions 4 and 5; Laws 1985, chapter 4, section 10; proposing coding for new law in Minnesota Statutes, chapters 40, 84, and 88.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rose moved that the House refuse to concur in the Senate amendments to H. F. No. 628, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker :

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted :

Senate Concurrent Resolution No. 18, A Senate concurrent resolution relating to adjournment for more than three days.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Levi moved that the rules be so far suspended that Senate Concurrent Resolution No. 18 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 18

A Senate concurrent resolution relating to adjournment for more than three days.

Be It Resolved by the Senate, the House of Representatives concurring :

1. Upon its adjournment on Wednesday, February 5, 1986, the Senate may set its next day of meeting for Monday, February 10, 1986.

2. Upon its adjournment on Wednesday, February 5, 1986, the House of Representatives may set its next day of meeting for Monday, February 10, 1986.

3. Pursuant to the Minnesota Constitution, Article IV, Section 12, the Senate and House of Representatives each consents to the adjournment of the other for more than three days.

Levi moved that Senate Concurrent Resolution No. 18 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 18 was adopted.

Mr. Speaker :

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted :

Senate Concurrent Resolution No. 17, A Senate concurrent resolution providing session deadlines for the legislature pursuant to Joint Rule 2.03.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Levi moved that the rules be so far suspended that Senate Concurrent Resolution No. 17 be now considered and be placed upon its adoption.

A roll call was requested and properly seconded.

Norton moved that Senate Concurrent Resolution No. 17 be laid over until Wednesday, February 5, 1986.

A roll call was requested and properly seconded.

The question was taken on the Norton motion and the roll was called.

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

There were 61 yeas and 65 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Jacobs	Munger	Price	Staten
Battaglia	Jennings, L.	Murphy	Quinn	Tomlinson
Beard	Kahn	Nelson, D.	Rest	Tunheim
Begich	Kalis	Nelson, K.	Rice	Vanasek
Brandl	Kelly	Neuenschwander	Riveness	Vellenga
Brinkman	Knuth	Norton	Rodosovich	Voss
Brown	Kostohryz	O'Connor	Sarna	Welle
Carlson, L.	Krueger	Ogren	Schoenfeld	Wenzel
Clark	Long	Olson, E.	Segal	Wynia
Cohen	McEachern	Otis	Simoneau	
Elioff	McLaughlin	Pappas	Skoglund	
Ellingson	Metzen	Peterson	Solberg	
Greenfield	Minne	Piper	Sparby	

Those who voted in the negative were :

Backlund	Dyke	Heap	Omann	Sherman
Becklin	Erickson	Himle	Onnen	Stanisus
Bennett	Fjoslien	Johnson	Ozment	Svigum
Bishop	Forsythe	Kiffmeyer	Pauly	Thiede
Blatz	Frederick	Knickerbocker	Piepho	Thorson
Boerboom	Frederickson	Kvam	Poppenhagen	Tjornhom
Boo	Frerichs	Levi	Quist	Tompkins
Burger	Gruenes	Marsh	Rees	Uphus
Carlson, J.	Gutknecht	McDonald	Richter	Valan
Clausnitzer	Halberg	McKasy	Rose	Valento
Dempsey	Hartinger	McPherson	Schafer	Waltman
DenOuden	Hartle	Miller	Schreiber	Zaffke
Dimler	Haukoos	Olsen, S.	Seaberg	Spk. Jennings, D.

The motion did not prevail.

The question recurred on the Levi motion and the roll was called.

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

There were 71 yeas and 52 nays as follows :

Those who voted in the affirmative were :

Backlund	Dyke	Jacobs	Onnen	Svigum
Becklin	Erickson	Johnson	Ozment	Thiede
Bennett	Fjoslien	Kalis	Pauly	Thorson
Bishop	Forsythe	Kiffmeyer	Piepho	Tjornhom
Blatz	Frederick	Knickerbocker	Poppenhagen	Tompkins
Boerboom	Frederickson	Knuth	Quist	Uphus
Boo	Frerichs	Kvam	Redalen	Valan
Brinkman	Gruenes	Levi	Rees	Valento
Burger	Gutknecht	Marsh	Richter	Waltman
Carlson, D.	Halberg	McDonald	Rose	Zaffke
Carlson, J.	Hartinger	McKasy	Schafer	Spk. Jennings, D.
Clausnitzer	Hartle	McPherson	Schreiber	
Dempsey	Haukoos	Miller	Seaberg	
DenOuden	Heap	Olsen, S.	Sherman	
Dimler	Himle	Omann	Stanisus	

Those who voted in the negative were:

Anderson, G.	Greenfield	Nelson, D.	Rest	Tomlinson
Battaglia	Jennings, L.	Norton	Rice	Tunheim
Beard	Kahn	O'Connor	Riveness	Vanasek
Begich	Kelly	Ogren	Rodosovich	Vellenga
Brandl	Kostohryz	Olson, E.	Sarna	Voss
Brown	Krueger	Otis	Schoenfeld	Welle
Carlson, L.	McEachern	Pappas	Simoneau	Wenzel
Clark	McLaughlin	Peterson	Skoglund	Wynia
Cohen	Metzen	Piper	Solberg	
Elioff	Minne	Price	Sparby	
Ellingson	Murphy	Quinn	Staten	

The motion did not prevail.

Senate Concurrent Resolution No. 17 was referred to the Committee on Rules and Legislative Administration.

MOTIONS AND RESOLUTIONS

Carlson, D., moved that the names of Rees, Osthoff and Clausnitzer be added as authors on H. A. No. 20. The motion prevailed.

Stanisus moved that the name of Bennett be added as an author on H. F. No. 413. The motion prevailed.

Knickerbocker moved that his name be stricken as chief author and the name of Dyke be added as chief author on H. F. No. 424. The motion prevailed.

Blatz moved that her name be stricken as an author on H. F. No. 774. The motion prevailed.

Hartinger moved that his name be stricken as an author on H. F. No. 804. The motion prevailed.

Fjoslien moved that the name of Blatz be added as an author on H. F. No. 815. The motion prevailed.

Knickerbocker moved that the names of Osthoff and Scheid be added as authors on H. F. No. 1568. The motion prevailed.

McLaughlin moved that the name of Rest be added as an author on H. F. No. 1620. The motion prevailed.

Wenzel moved that the name of Backlund be added as an author on H. F. No. 1690. The motion prevailed.

Krueger moved that the name of Wynia be added as an author on H. F. No. 1701. The motion prevailed.

Stanis moved that the name of Piepho be added as an author on H. F. No. 1706. The motion prevailed.

McEachern moved that the names of Elioff; Solberg; Nelson, D., and Quinn be added as authors on H. F. No. 1818. The motion prevailed.

Olsen, S., introduced:

House Resolution No. 36, A house resolution congratulating the city of St. Louis Park on its centennial.

SUSPENSION OF RULES

Olsen, S., moved that the rules be so far suspended that House Resolution No. 36 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 36

A house resolution congratulating the city of St. Louis Park on its centennial.

Whereas, the land that is now St. Louis Park was originally settled by the Sioux and Chippewa Indians; and

Whereas, Edward and Thomas Self and William Laycock and his wife were the first with land claims in the area which date from around 1854; and

Whereas, Joseph Hamilton started the first mercantile business in 1855; and

Whereas, the first railroad depots were for the Minneapolis and St. Louis Railway and Milwaukee Railroads in 1886 and 1887; and

Whereas, St. Louis Park was first incorporated in 1886, taking its name from the railroad, and held its first election on December 6, 1886, and first village council meeting on December 10, 1886; and

Whereas, in the 100 years since its founding, St. Louis Park has grown and prospered as a residential and diverse business center; and

Whereas, St. Louis Park is known today for its public-spirited citizens, its excellent community life, its high-quality schools, and the variety of its churches and business enterprises; and

Whereas, it is appropriate to recognize the accomplishments of St. Louis Park upon the occasion of the centennial of its founding; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it congratulates the city of St. Louis Park not only for its centennial but for the many qualities of life that it brings to its citizens. It wishes the city good fortune during its second century.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and present it to the Mayor of St. Louis Park.

Olsen, S., moved that House Resolution No. 36 be now adopted. The motion prevailed and House Resolution No. 36 was adopted.

Brandl and Nelson, K., were excused for the remainder of today's session.

Norton moved that the following policy be adopted by the House of Representatives for the 1986 Session:

All committee and floor action from February 3, 1986, through February 24, 1986, with the exception of organizational matters, be restricted to issues relating to the economic crisis in rural Minnesota.

A roll call was requested and properly seconded.

The question was taken on the Norton motion and the roll was called.

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

There were 41 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Kelly	Norton	Quinn	Tunheim
Beard	Knuth	O'Connor	Rest	Vanasek
Brown	Kostohryz	Ogren	Rice	Voss
Cohen	Krueger	Olson, E.	Redosovich	Welle
Greenfield	McEachern	Otis	Sarna	Wenzel
Jares	McLaughlin	Pappas	Schoenfeld	
Jennings, L.	Minne	Peterson	Simoneau	
Kalu	Munger	Piper	Suarby	
Kalis	Nelson, D.	Price	Staten	

Those who voted in the negative were:

Backlund	Dyke	Kiffmeyer	Piepho	Stanius
Becklin	Erickson	Knickerbocker	Poppenhagen	Sviggum
Bennett	Fjoslien	Kvam	Quist	Thiede
Bishop	Forsythe	Levi	Redalen	Thorson
Blatz	Frederick	Marsh	Rees	Tjornhom
Boerboom	Frederickson	McDonald	Richter	Tomlinson
Boo	Frerichs	McKasy	Riveness	Tompkins
Burger	Gruenes	McPherson	Rose	Uphus
Carlson, D.	Gutknecht	Metzen	Schafer	Valan
Carlson, J.	Halberg	Miller	Schreiber	Valento
Carlson, L.	Hartle	Olsen, S.	Seaberg	Waltman
Clausnitzer	Haukoos	Omann	Shaver	Zaffke
Dempsey	Heap	Onnen	Sherman	Spk. Jennings, D.
DenOuden	Himle	Ozment	Skoglund	
Dimler	Johnson	Pauly	Solberg	

The motion did not prevail.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to the select committee on the Staten case: Dempsey, Chair; Pauly, Brandl and Vellenga.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, February 5, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, February 5, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SIXTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, FEBRUARY 5, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Ken Beck, Lake Harriet United Methodist Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Erickson	Kvam	Pappas	Skoglund
Anderson, R.	Fjoslien	Levi	Pauly	Solberg
Backlund	Forsythe	Long	Peterson	Sparby
Battaglia	Frederick	Marsh	Piepho	Stanius
Beard	Frederickson	McDonald	Piper	Staten
Becklin	Frerichs	McEachern	Poppenbagen	Sviggum
Begich	Greenfield	McKasy	Price	Thiede
Bennett	Gruenes	McLaughlin	Quinn	Thorson
Bishop	Gutknecht	McPherson	Quist	Tjornhom
Blatz	Halberg	Metzen	Redalen	Tomlinson
Boerboom	Hartinger	Miller	Rees	Tompkins
Boo	Hartle	Minne	Rest	Tunheim
Brandl	Haukoos	Munger	Rice	Uphus
Brown	Heap	Murphy	Richter	Vafan
Burger	Himle	Nelson, D.	Riveness	Valento
Carlson, D.	Jacobs	Nelson, K.	Rodosovich	Vanasek
Carlson, J.	Jaros	Neuenschwander	Rose	Vellenga
Carlson, L.	Jennings, L.	Norton	Sarna	Voss
Clark	Johnson	O'Connor	Schafer	Waltman
Clausnitzer	Kahn	Ogren	Scheid	Welle
Cohen	Kalis	Olsen, S.	Schoenfeld	Wynia
Dempsey	Kelly	Olson, E.	Schreiber	Zaffke
DenOuden	Kiffmeyer	Omam	Seaberg	Spk. Jennings, D.
Dimler	Knickerbocker	Onnen	Segal	
Dyke	Knuth	Osthoff	Shaver	
Elioff	Kostohryz	Otis	Sherman	
Ellingson	Krueger	Ozment	Simoneau	

A quorum was present.

Brinkman, Lieder and Wenzel were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 1816 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1699, A bill for an act relating to licenses; requiring operators of campgrounds and mobile home parks to procure a license; amending Minnesota Statutes 1984, section 157.03.

Reported the same back with the following amendments:

Page 1, line 19, delete "*mobile*" and insert "*manufactured*"

Page 1, line 22, delete "*mobile*" and insert "*manufactured*"

Page 1, line 25, delete "*mobile*" and insert "*manufactured*"

Amend the title as follows:

Page 1, line 3, delete "*mobile*" and insert "*manufactured*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1725, A bill for an act relating to taxation; income; repealing the suspension of inflation adjustments; repealing Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2f.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1761, A bill for an act relating to commerce; prohibiting certain mortgage foreclosure and foreclosure sales for one year; prohibiting repossession, foreclosure, and foreclosure

sales of certain personal property for one year; providing for an application to the court to allow repossession, foreclosure, and foreclosure sale; prohibiting actions for deficiency judgments; providing for the parties to compromise.

Reported the same back with the following amendments:

Page 1, line 14, delete "and" and insert a comma

Page 1, line 14, after "business" insert ", and home"

Page 2, after line 19, insert:

"Subd. 7. [MORTGAGES AND SECURITY INTERESTS OF HOMESTEAD PROPERTY.] Sections 1 to 4 apply to all mortgages and security interests in real and personal property consisting of or located on homestead property as defined in Minnesota Statutes, section 510.01, if the mortgages or security interests are held by a lender or agency listed in subdivisions 1 to 5."

Page 3, after line 2, insert:

"(d) Personal property of a homestead referred to in section 2, subdivision 7, may not be repossessed nor may security interests in such personal property be foreclosed, for a period of one year after sections 1 to 4 become effective unless the debtor agrees in writing, or by court order under section 4."

Page 3, line 6, after "6," insert "or real or personal property of a homestead referred to in section 2, subdivision 7,"

Without further recommendation.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1773, A bill for an act relating to consumer protection; regulating the labeling, advertising, and distribution of smokeless tobacco products; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1775, A bill for an act relating to agriculture; establishing a family farm advocate program; providing for "buy-down" of interest rates on certain farm loans; re-allocating certain wage subsidy money; providing for mediation of certain agricultural loan disputes; changing certain income and property tax provisions; appropriating money; amending Minnesota Statutes 1984, sections 41.57, by adding a subdivision; 279.01, as amended; 290.08, by adding a subdivision; 290.09, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 268.-6751, subdivision 1; 268.676, subdivision 1; 290.01, subdivisions 20a and 20b; 290.491; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Article 1

Section 1. [PURPOSE.]

In order to help farmers obtain credit for continuing operation of existing farms, the family farm advocate program shall provide state money to independent contractors proficient in credit application processes. The family farm advocate program may also collect private contributions to supplement state funding provided for the program.

Sec. 2. [17.85] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of this article, the terms defined in this section have the meanings given.

Subd. 2. [ADVOCATE.] "Advocate" means a person who has received final approval from the council and the commissioner to provide services to the family farm advocate program, and who has executed a valid contract with the commissioner for those services.

Subd. 3. [AGREEMENT.] "Agreement" means an assistance agreement executed between assisted farm operators and individual advocate contractors which, at a minimum, clearly specifies the limits of professional competence of the contractor and the legal significance of the relationship between the two parties.

Subd. 4. [APPLICANT.] "Applicant" means a natural person contracting with the department of agriculture as a farm advocate.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 6. [CONTRACT.] "Contract" means an agreement between the commissioner and an individual advocate contractor which outlines duties, terms of compensation, and ethical guidelines to be followed by the contractor.

Subd. 7. [COUNCIL.] "Council" means the family farm advisory council established in section 41.54.

Sec. 3. [17.852] [ADMINISTRATION AND RULES.]

Subdivision 1. [ADMINISTRATOR.] The family farm advocate program shall be administered by the commissioner.

Subd. 2. [RULES.] The commissioner may adopt rules, including emergency rules, necessary for the efficient administration of this article.

Subd. 3. [REPORTS.] On or before January 1 of each year, the commissioner shall submit a report to the legislature, as provided in section 3.195, concerning the actions of the commissioner relating to this article, including, but not limited to, the number and amount of donations received, number and identity of farm families served, and success rates based on random follow-up activities.

Sec. 4. [17.853] [CONTRACTOR ELIGIBILITY.]

An applicant may be approved if:

- (1) the applicant is a resident of the state of Minnesota; and*
- (2) the applicant has sufficient education, training, or experience in the type of farming for which the applicant intends to offer advice, or the applicant has participated in a farm management program approved by the commissioner for at least five years prior to the date of application.*

Sec. 5. [17.854] [PROCEDURE.]

Any person wishing to become an advocate may apply to the commissioner on the appropriate forms. The commissioner shall prescribe a screening process to determine eligibility. The commissioner may approve any application which has been approved by the council if the criteria in section 4 have been met.

Sec. 6. [17.856] [CONTRACTOR DUTIES.]

Advocates shall perform the following duties:

(1) *accept telephone referrals from telephone "hotline" services if requested to do so by the commissioner;*

(2) *inform farmers about the policies, practices, and procedures of the farmers home administration, production credit association, federal land bank, commercial banks, and other lenders, and about legal issues, but only in a form approved by the attorney general's office;*

(3) *upon request from farmers, assist with the preparation of farmers home administration loan applications and other financial and farm management documents required by lenders;*

(4) *prepare and submit monthly reports as requested by the commissioner;*

(5) *participate in advocate training activities conducted or sanctioned by the department of agriculture; and*

(6) *within the limits of section 7, attend meetings between farmers and their lenders, suppliers, elevators, farm management instructors, agricultural extension personnel, and others for the purpose of facilitating understanding and communication between the parties.*

Sec. 7. [17.858] [ETHICAL GUIDELINES.]

An advocate, when in the service of the department of agriculture or when performing official duties as an advocate, must not:

(1) *provide assistance which may be characterized as the unauthorized practice of law under section 481.02;*

(2) *advise a farmer to engage in activity which is criminal or fraudulent;*

(3) *advise a farmer with respect to matters involving a lending office or institution with which the advocate contractor has, or has had, a farm-related loan or account;*

(4) *enter into a business transaction with any farmer who has requested the contractor's advice;*

(5) *accept compensation in any form from a farmer who has requested the contractor's advice; and*

(6) *expressly or by implication encourage a farmer's reliance on accounting or legal skills which are not warranted by that contractor's formal education.*

A violation of this must result in a denial of compensation for the activities in question or termination of the contractual relationship, depending on the nature of the violation.

Sec. 8. [17.86] [INSURANCE.]

The commissioner shall obtain insurance coverage as needed to protect the department of agriculture from tort or professional malpractice claims arising out of the family farm advocate program.

Sec. 9. [17.862] [COMPENSATION.]

Subdivision 1. [RATE.] The state shall pay each advocate \$5 per hour from appropriated funds or from funds donated to the program within the limits of the amount available. Any available donated funds exceeding the compensation match requirement may be expended for any activity consistent with the purposes of this article.

Subd. 2. [MAXIMUM HOURS.] Advocates may claim compensation for a maximum of 20 hours per week, plus expenses.

Subd. 3. [TRAVEL EXPENSES.] The state shall reimburse each advocate for travel expenses actually and necessarily incurred by the contractor in the performance of specified duties. Travel expenses shall be reimbursed at the rate of \$.27 per mile.

Subd. 4. [OUT-OF-STATE TRAVEL.] No compensation or travel expenses may be made for out-of-state travel.

Subd. 5. [INVOICES.] Payment must be made after an advocate has presented invoices for services performed in the form prescribed by the commissioner.

Subd. 6. [LIMITATION.] No compensation or travel expenses may be paid for activities in which an advocate has engaged in the promotion of any partisan political cause, or has otherwise contributed to political organizational or fundraising activities in any capacity exceeding those specified in section 6.

Sec. 10. [17.864] [DISCRIMINATION PROHIBITED.]

In carrying out their respective duties under this article, the council and the commissioner shall not discriminate between contractor applicants because of race, color, creed, religion, national origin, sex, marital status, disability, or political or ideological persuasion.

In carrying out their contractual and statutory duties under this article, advocates shall not discriminate between farmers requesting assistance because of race, color, creed, religion, national origin, sex, marital status, disability, or political or ideological persuasion.

Sec. 11. [17.866] [CONTRIBUTIONS.]

The commissioner may accept contributions to the program, and may expend the contributions in any manner which is consistent both with the wishes of the donor and the purposes of this article.

Sec. 12. [APPROPRIATIONS.]

There is appropriated from the general fund to the commissioner of agriculture \$356,000 for the biennium ending June 30, 1987, for the purposes of this article.

Article 2

Section 1. [CITATION.]

This article may be cited as the "Minnesota Farm Relief Act of 1986."

Sec. 2. [FINDINGS; PUBLIC PURPOSE.]

The legislature finds that conditions of extreme financial distress continue to plague Minnesota farm families and rural communities that depend heavily on the agricultural economy. The legislature further finds that timely assistance from the state is appropriate and efficient, and that an investment of state funds to partially alleviate the crisis situation in rural Minnesota will ultimately result in reduced public expenditures for displaced farm families and bankrupted small businesses.

The legislature further finds that the use of money in the general fund for assistance of financially stressed farmers pursuant to this article is a valid public purpose and is necessary to protect the health, safety, and general welfare of the people of the state.

The legislature further finds that farm financial relief provided by this article must be in addition to any relief provided by the federal government.

Sec. 3. [17.87] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] As used in this article, the terms defined in this section have the meanings given unless the context in which they are used clearly indicates a different meaning.

Subd. 2. [APPROVED ADULT FARM MANAGEMENT PROGRAM.] "Approved adult farm management program" means a farm management training program designed for persons currently engaged in farming that has been approved by the commissioner under section 6, subdivision 4.

Subd. 3. [COMMISSIONER.] *“Commissioner” means the commissioner of commerce.*

Subd. 4. [ELIGIBLE BORROWER.] *“Eligible borrower” means a farmer who applies to a lender for a farm operating loan between the dates January 1, 1986, and December 30, 1986, and who meets all qualifications established in section 4 and any further qualifications that may be established in the program guidelines adopted by the commissioner under section 6, subdivision 1.*

Subd. 5. [FARM OPERATING LOAN.] *“Farm operating loan” means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm operating loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm operating loan eligible for interest rate buy-down must have a maturity date of June 30, 1987, or earlier.*

Subd. 6. [FARMER.] *“Farmer” means a state resident or a domestic family farm corporation as defined in section 500.24, subdivision 2, operating a farm within the state.*

Subd. 7. [INTEREST RATE BUY-DOWN; BUY-DOWN.] *“Interest rate buy-down” or “buy-down” means a reduction in the effective interest rate on a farm operating loan made pursuant to this article to an eligible borrower due to partial payment of interest costs by the commissioner and partial payment of interest costs by the participating lender.*

Subd. 8. [LENDER.] *“Lender” means a bank, a credit union, or a savings and loan association chartered by the state or federal government, a unit of the farm credit system, the federal deposit insurance corporation, and other financial institutions that the commissioner deems appropriate.*

Subd. 9. [PARTICIPATING LENDER.] *“Participating lender” means a lender who has properly applied for and been granted participating lender status by the commissioner.*

Sec. 4. [17.872] [FARMER ELIGIBILITY.]

Subdivision 1. [DEBT TO ASSET RATIO.] *Only a farmer with a debt to asset ratio exceeding 50 percent at the time of application for a farm operating loan is an eligible borrower for purposes of interest rate buy-down. The debt to asset ratio of a farmer must be determined by the lender. A debt to asset ratio determined by a lender is deemed to be reasonable and accurate without further audit or substantiation.*

Subd. 2. [ASSESSMENT OF CONTINUED VIABILITY.] *Only a farmer determined by the lender to have a reasonable op-*

portunity for long term financial viability in the farmer's current farm operation is an eligible borrower. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Subd. 3. [ENROLLMENT IN ADULT FARM MANAGEMENT PROGRAM.] *To be an eligible borrower a farmer must agree to enroll in an approved adult farm management program offered not more than 50 miles from the farmer's residence if enrollment is a condition of receiving a farm operating loan from a participating lender or if review by the commissioner indicates that enrollment is appropriate for the farmer.*

Sec. 5. [17.874] [LENDER ELIGIBILITY.]

Subdivision 1. [APPLICATION FOR PARTICIPATING LENDER STATUS.] *A lender who applies to the commissioner for status as a participating lender and meets all requirements established by the commissioner must be certified as a participating lender.*

Subd. 2. [PARTIAL PAYMENT FOR ADULT FARM MANAGEMENT TRAINING.] *A participating lender must agree to pay one-half of the enrollment and tuition costs of an approved adult farm management program for an eligible borrower approved by the commissioner for interest rate buy-down. A participating lender is not required to assist with enrollment or tuition costs for a period longer than the term of the farm operating loan, and a lender is not required to assist with the enrollment and tuition costs for more than one individual for each farm operating loan.*

Sec. 6. [17.876] [RESPONSIBILITIES OF THE COMMISSIONER.]

Subdivision 1. [ADOPTION OF PROGRAM GUIDELINES.] *Within 30 days after the effective date of this article, the commissioner shall adopt and make available to any interested party guidelines for the farm operating loan interest rate buy-down program established in this article. To the maximum extent practicable, the commissioner shall adopt guidelines that coordinate the state program with any federal farm financial relief program and make benefits of the state buy-down program additive to the federal program. The commissioner may adopt program guidelines without regard to provisions of chapter 14.*

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] *The commissioner shall prepare and distribute to all lenders in the state forms and instructions with which the lenders may apply for participating lender status. Only a participating lender may receive state interest rate buy-down payments.*

Subd. 3. [PREPARATION AND DISTRIBUTION OF LOAN APPLICATION FORMS.] *The commissioner shall prepare and distribute to all participating lenders forms and instructions to be used in applying for state interest rate buy-down payments.*

Subd. 4. [APPROVAL OF ADULT FARM MANAGEMENT PROGRAMS.] *The commissioner, in consultation with the commissioner of agriculture, shall prepare and distribute to all participating lenders a list of adult farm management training programs approved for eligible borrowers.*

Subd. 5. [REVIEW OF APPLICATIONS FOR BUY-DOWN PAYMENT.] *The commissioner must review within five working days of submission by a participating lender a properly completed application for buy-down payments on a farm operating loan made to a farmer. If a qualified lender does not receive written notice that the commissioner has denied buy-down payments within seven working days, the farmer is an eligible borrower and buy-down payments on the farm operating loan are approved by the commissioner.*

Subd. 6. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.] *The commissioner shall make interest rate buy-down payments to participating lenders as provided in this subdivision. An amount equal to half of the expected buy-down amount may be paid to the participating lender 30 days after the loan is executed by the lender. If the participating lender elects to receive the first half payment at a date later than 30 days after execution of the loan, the commissioner shall make the payment on the date requested. The balance of the buy-down payment must be paid to the participating lender not more than 30 days after the maturity of the farm operating loan.*

Sec. 7. [17.878] [FARMER APPLICATION FOR INTEREST BUY-DOWN.]

Subdivision 1. [LENDER TO PROCESS LOAN APPLICATION.] *A participating lender must receive and evaluate loan applications from any farmer who has transacted farm-related borrowing with the lender within the prior three years or from a farmer who has not previously established farm-related borrowing or whose previous lender is no longer in the business of making farm-related loans. The participating lender may use criteria beyond those in section 4 in determining whether to make a farm operating loan to a farmer.*

Sec. 8. [17.88] [APPLICATION BY PARTICIPATING LENDERS.]

In order to receive buy-down payments from the state, a participating lender must submit to the commissioner a properly completed application form for each farm operating loan eligible for state buy-down payments.

Sec. 9. [17.882] [MAXIMUM INTEREST RATE.]

To qualify for state interest rate buy-down payments, a participating lender must offer to make a farm operating loan to an eligible borrower at a rate of interest equivalent to that offered to other farmers having similar security and financial status. The commissioner may use appropriate means to verify that the operating loan interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Sec. 10. [17.884] [STATE CONTRIBUTION TO INTEREST BUY-DOWN.]

As provided in section 6, subdivision 6, the commissioner shall pay to a participating lender for the first \$100,000 of a farm operating loan made to an eligible borrower an amount equivalent to 40 percent of the contract interest to be paid during the term of the farm operating loan.

Sec. 11. [17.886] [LENDER CONTRIBUTION TO INTEREST BUY-DOWN.]

A participating lender must provide a reduction in interest rate for the first \$100,000 of a farm operating loan made to an eligible borrower in an amount equivalent to ten percent of the contract interest rate to be paid during the term of the farm operating loan.

Sec. 12. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner \$22,000,000 for purposes of this article and \$75,000 for administrative expenses related to this article. This appropriation remains available until June 30, 1987.

Sec. 13. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

Article 3

Section 1. Minnesota Statutes 1985 Supplement, section 268.6751, subdivision 1, is amended to read:

Subdivision 1. [WAGE SUBSIDIES.] Wage subsidy money available for fiscal year 1987 must be allocated to eligible local service units in the following manner:

(a) The commissioner shall allocate (70) 30 percent of the funds available for allocation to eligible local service units for wage subsidy programs as follows: the proportion of the wage

subsidy money available to each eligible local service unit must be based on the number of unemployed persons in the eligible local service unit for the most recent six-month period and the number of work readiness assistance cases and aid to families with dependent children cases in the eligible local service unit for the most recent six-month period.

(b) *The commissioner shall allocate 25 percent of the funds available for allocation to eligible local service units that are within distressed counties as defined in section 297A.257, subdivision 1, clause (2), for wage subsidy programs as follows: The proportion of the wage subsidy money available to each eligible local service unit must be based on the number of farmers in the distressed county divided by the distressed county population plus the percentage of unemployed persons in the local service area. Funds allocated under this clause shall be in addition to any allocations made in clause (a).*

(c) *The commissioner shall allocate 15 percent of the funds available for allocation to eligible local service units that do not qualify for eligibility in clause (b) but have at least ten percent of their workforce engaged in on-farm farming operations as follows: The proportion of the wage subsidy money available to each eligible local service unit must be based on the number of persons engaged in farming in the eligible local service unit. Funds allocated under this clause shall be in addition to any allocation made in clause (a).*

(d) Thirty percent of the money available for wage subsidy programs must be allocated at the direction and discretion of the coordinator. The commissioner shall distribute the discretionary portion of wage subsidy appropriations at the request of the coordinator. For the biennium ending June 30, 1987, up to 25 percent of the discretionary portion of the wage subsidy appropriation may be used to support the office of full productivity and opportunity and the development of an intake, referral, and inventory system. In allocating the remaining discretionary portion of the wage subsidy appropriation, the coordinator shall give priority to eligible local service units that have:

(1) high numbers of farmers who can demonstrate severe household financial need;

(2) demonstrated success in placing public assistance applicants in private sector jobs;

(3) demonstrated need beyond the allocation distributed under paragraph (a);

(4) maximized use of money through coordination with other programs and state, local, and federal agencies, and through the use of matching money from private and nonprofit sources;

(5) demonstrated need to provide special assistance in order to serve unemployed persons who incur unusual costs such as necessary relocation expenses; or

(6) areas with high unemployment rates.

Sec. 2. Minnesota Statutes 1985 Supplement, section 268.676, subdivision 1, is amended to read:

Subdivision 1. [AMONG JOB APPLICANTS.] Allocation of funds *under section 268.6751, subdivision 1, clauses (a) and (d)* among eligible job applicants within an eligible local service unit shall give priority to:

(1) applicants living in households with no other income source;

(2) applicants whose incomes and resources are less than the standards for eligibility for general assistance;

(3) applicants who are eligible for aid to families with dependent children; and

(4) applicants who live in a farm household who demonstrate severe household financial need.

Allocation of funds under section 268.6751, subdivision 1, clauses (b) and (c) among eligible job applicants within an eligible local service unit must give priority to applicants who live in a farm household who demonstrate severe household financial need.

Sec. 3. [EFFECTIVE DATE.]

The allocation formulas in section 1 are effective for all fiscal year 1987 allocations.

Article 4

Section 1. [17.89] [PROCEEDINGS.]

Subdivision 1. [COMMENCEMENT.] All proceedings for the foreclosure of a mortgage, the cancellation of a contract-for-deed, or the repossession of or collection against agricultural property having a current fair market value of more than \$5,000 must be suspended following notice of default until (1) the creditor commencing the foreclosure proceedings has engaged in mediation or otherwise has negotiated in good faith with the debtor concerning possible adjustment and refinancing, as well as payment, of the debt; (2) the creditor has offered to engage in mediation or to negotiate in good faith with the debtor, and

the debtor has refused to participate in mediation or refused to negotiate in good faith; (3) the debtor has failed to request mediation within 15 days after notice of default is given; or (4) 60 days have elapsed since notice of default was given.

Subd. 2. [CONTENTS OF NOTICE OF DEFAULT.] A notice of default affecting a mortgage, cancellation of a contract-for-deed, or repossession against agricultural property having a fair market value of more than \$5,000 may contain an affidavit stating how the conditions of subdivision 1, clause (1) or (2) have been met. Actions initiated by a default notice containing such an affidavit may proceed without regard to the 60-day suspension period unless the debtor challenges the accuracy of the affidavit in district court.

Subd. 3. [DEFINITION.] For purposes of this article, "agricultural property" means real property that is principally used for farming, as defined in section 500.24, subdivision 2, paragraph (a), and any property that is used as security in financing a farm operation or used as part of a farm operation including but not limited to equipment, crops, livestock, and proceeds of the property. "Agricultural property" does not include property of farm operations of less than 60 acres, including leased property, with less than \$20,000 in gross sales of agricultural products in the preceding year.

Sec. 2. [17.892] [EVIDENCE.]

Participation in mediation, as specified in section 3, over a period of at least 30 days creates a presumption that a creditor has negotiated in good faith as required by section 1. A creditor's request to the agricultural extension service to participate in mediation, as specified in section 3, creates a presumption that the creditor has offered to negotiate in good faith with the debtor.

Sec. 3. [17.894] [MEDIATION.]

A debtor or creditor with an interest in agricultural property may request mediation from the agricultural extension service by filing a written request with the service. A creditor may not file a request for mediation under this section unless there has been a default on the loan that would be the subject of mediation. However, a creditor need not have given official notice of default in order to request mediation.

A creditor must file a copy of its request for mediation with the debtor. A debtor may file a copy of any request for mediation with any of the debtor's other creditors. A debtor's request to the extension service must be submitted on a form supplied by the extension service, and must provide all information relevant to the relationship with the creditor asked for on the form.

The extension service shall accept each request for mediation and may appoint a mediator or a team of mediators as needed. The extension service shall notify the creditor filing the request, all other creditors named by the debtor, and the debtor, within 20 days of receiving a request for mediation, of whether or not it will appoint a mediator, and the name of the mediator if one is appointed. The mediator shall offer to meet with the creditor and debtor together within ten days of appointment. Unreasonable failure of a debtor or a creditor to meet as requested by the mediator over a period of 30 days, starting with the day on which the first meeting is scheduled, creates a presumption that a creditor or debtor is not negotiating in good faith.

The mediator shall meet with the debtor and all named creditors desiring to participate and attempt to help the parties reach an agreement. The mediator has no authority to impose an agreement on the debtor or any creditor. At the conclusion of mediation sessions the mediator shall file a written report with the extension service summarizing the results of mediation efforts and noting any failure of the debtor or any named creditor to attend a meeting when requested to attend by the mediator.

Sec. 4. [17.896] [MEDIATORS.]

The agricultural extension service shall provide mediators by contracting with qualified persons and shall assure that mediators are knowledgeable in as many as possible of the following areas: agricultural economics, legal issues related to agriculture and financial institutions, lending, and mediation. Contracts for mediation services must assure that the mediator will be available to meet with the parties at reasonable times for at least 30 days from the first mediation session.

A mediator must not:

(1) advise a farmer to engage in a criminal or fraudulent act;

(2) engage in mediation involving a lending institution with which the mediator has, or has had, a farm-related loan or account;

(3) engage in mediation involving a farmer that the mediator has a business relationship with; or

(4) accept compensation in any form from a party to mediation that the mediator is engaged in.

Contracts between the extension service and a mediator must incorporate the terms of clauses (1) to (4).

Sec. 5. [17.898] [DATA.]

All data regarding the finances of individual debtors and creditors created, collected, or maintained by the extension service or a mediator under contract to the extension service are private data or nonpublic data, as defined in chapter 13, except as to those entitled to participate in mediation meetings.

Sec. 6. [APPROPRIATION.]

\$ is appropriated from the general fund to the University of Minnesota agricultural extension service for purposes of this article for the biennium ending June 30, 1987.

Sec. 7. [APPROPRIATION.]

\$500,000 is appropriated from the general fund to the University of Minnesota agricultural extension service for grants-in-aid to the state office of the Farmers Home Administration to assist in upgrading the administration's FINPAC farm financial analysis hardware and software as needed to establish compatibility with FINPAC analyses prepared by county extension agents or adult farm management instructors. Grants shall not exceed 50 percent of the total costs to the new hardware and software. This appropriation is available until June 30, 1987.

Article 5

Section 1. Minnesota Statutes 1984, section 41.57, is amended by adding a subdivision to read:

Subd. 4. [ADDITIONAL INTEREST PAYMENT.] (a) The commissioner must annually pay to qualified sellers of property, financed by a family farm security loan, an amount approximately equal to the additional state income tax paid as a result of the inclusion in gross income of the interest and payment adjustment earned on a seller sponsored family farm security loan.

(b) The payment amount must be determined as follows:

(1) In order to qualify for a payment, the seller must apply to the commissioner. The application must include a copy of the seller's 1985 state income tax return and any other information that the commissioner requests to verify that the applicant is a qualified seller. The commissioner must recompute the seller's total state income tax liability that would be due if the interest and payment adjustment amounts were not includable in gross income for state income tax purposes. The commissioner may require the seller to compute these amounts as part of the application. For calendar year 1986 the amount of the payment equals the reduction in state income tax liability that would

occur if the interest and payment adjustment were not included in gross income for state tax purposes.

(2) For calendar years beginning with 1987, the additional payment amount must be determined as follows: (i) The calendar year 1986 payment must be divided by the amount of interest and payment adjustment received during calendar year 1986. (ii) The resulting quotient must be multiplied by the interest and payment adjustment received for the calendar year. (iii) The product determined under clause (ii) is the payment for the calendar year.

(c) If for a tax year after 1986 the qualified seller's taxable income has changed substantially, the commissioner may provide by rule that upon reapplication a later tax year will be used to compute the quotient under clause (b) (2) (i).

(d) The commissioner may make the payments under this subdivision in the same manner provided for the payment adjustment under subdivision 2.

(e) For purposes of this subdivision, the following terms have the meanings given:

(1) "Gross income" means gross income as defined for purposes of chapter 290.

(2) "Qualified seller" means an individual who sold farm land under a seller sponsored loan prior to July 1, 1985, and who is a resident of Minnesota during the calendar year and is subject to the payment of Minnesota income taxes.

Sec. 2. Minnesota Statutes 1985 Supplement, section 290.01, subdivision 20a, is amended to read:

Subd. 20a. [MODIFICATIONS INCREASING FEDERAL ADJUSTED GROSS INCOME.] There shall be added to federal adjusted gross income:

(1) interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(3) interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

(4) exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(5) for an estate or trust, the amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;

(6) to the extent deducted in computing the estate or trust's federal taxable income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10); (AND)

(7) losses from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax; and

(8) *the amount of previously excluded farm capital gain required to be added to federal adjusted gross income by section 290.08, subdivision 27, paragraph (b).*

Sec. 3. Minnesota Statutes 1985 Supplement, section 290.01, subdivision 20b, is amended to read:

Subd. 20b. [MODIFICATIONS REDUCING FEDERAL ADJUSTED GROSS INCOME.] There shall be subtracted from federal adjusted gross income:

(1) interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) the portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of the gain;

(3) losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks or out of state loss carry-

forwards resulting from the losses, and including any farm loss carryforwards or carrybacks;

(4) if included in federal adjusted gross income, the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether the amount is received as a refund or credited to another taxable year's income tax liability;

(5) the amount of any distribution from a qualified pension or profit-sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;

(6) pension income as provided by section 290.08, subdivision 26;

(7) the first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. This modification does not apply to compensation defined in clause (6);

(8) unemployment compensation to the extent includible in gross income for federal income tax purposes under section 85 of the Internal Revenue Code of 1954;

(9) for an estate or trust, the amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(10)(a) income from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax; (b) to the extent included in computing federal adjusted gross income, expenses and other items allocable to the business of mining or producing iron ore, the mining or production of which is subject to the occupation tax imposed by section 298.01, subdivision 1, shall be allowed as a subtraction to the extent that the expenses or other items are included in computing the modifications provided in section 290.01, subdivision 20a, clause (7) or paragraph (a) of this clause and to the extent that the expenses or other items are not deductible, capitalizable, retainable in basis, or taken into account by allowance or otherwise in computing the occupation tax. Occupation taxes imposed under chapter 298, royalty taxes imposed under chapter 299, and depletion expenses may not be subtracted under this paragraph;

(11) to the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan which represent a return of designated employee contributions to the

plan and which contributions were included in gross income pursuant to Minnesota Statutes 1984, section 290.01, subdivision 20a, clause (18). The provisions of this clause shall apply before the provisions of clause (6) apply and an amount subtracted under this clause may not be subtracted under clause (6); (AND)

(12) to the extent included in federal adjusted gross income, distributions from an individual retirement account which represent a return of contributions if the contributions were included in gross income pursuant to Minnesota Statutes 1984, section 290.01, subdivision 20a, clause (17). The distribution shall be allocated first to return of contributions included in gross income until the amount of the contributions has been exhausted;

(13) capital gain derived from the sale or exchange of farm property as provided in section 290.08, subdivision 27;

(14) to the extent included in federal adjusted gross income, income derived from the sale or exchange of farm property as provided in section 290.491, paragraph (b); and

(15) to the extent included in federal adjusted gross income, income as provided by section 290.08, subdivision 28.

Sec. 4. Minnesota Statutes 1984, section 290.08, is amended by adding a subdivision to read:

Subd. 27. [CAPITAL GAINS; FARM PROPERTY.] (a) The taxpayer may exclude from gross income capital gain realized on the sale or exchange of farm property classified under section 273.13 as class 2a or 2c property. In the case of an individual, the amount of the exclusion pursuant to this subdivision is limited to the portion of the gain that is includable in the computation of federal adjusted gross income. In the case of a corporation, the amount of the exclusion is limited to the includable portion of the gain determined under section 290.16.

(b) In order to qualify for the exclusion provided by paragraph (a), the taxpayer must have invested an amount at least equal to the gain in the obligations of the federal farm credit system for a period of five years. If the taxpayer fails to meet the requirements of this paragraph in a taxable year after the year in which the exclusion was claimed the following amount must be added to gross income for the taxable year:

<i>Year Following Taxable Year Exclusion Was Allowed</i>	<i>Percentage of Exclusion to be Added</i>
<i>1</i>	<i>80 percent</i>
<i>2</i>	<i>60 percent</i>
<i>3</i>	<i>40 percent</i>
<i>4</i>	<i>20 percent</i>

Sec. 5. Minnesota Statutes 1984, section 290.08, is amended by adding a subdivision to read:

Subd. 28. [FARM DEBT DISCHARGE.] Income realized by an individual taxpayer, family farm corporation, or authorized farm corporation on the cancellation or forgiveness of a debt owed with respect to farmland is exempt from tax under this chapter, including the alternative minimum tax, if all of the following qualifications are met:

(1) the taxpayer is a resident of Minnesota;

(2) the taxpayer has been engaged in farming as the primary source of income for more than 80 percent of the time elapsed since the purchase of the property with respect to which the debt has been discharged;

(3) immediately prior to the discharge of indebtedness, the total debt against all farmland owned by the taxpayer exceeds the taxpayer's total equity in the farmland; and

(4) immediately prior to the discharge of indebtedness, the taxpayer has a debt-to-asset ratio exceeding 75 percent in the case of all real and personal property.

In the case of a family farm or authorized farm corporation, the qualifications of clauses (1) and (2) must be met by all the shareholders. For purposes of clause (4), the net debt to asset ratio must include the total debts and personal net worth of all shareholders.

In the case of an individual, this exclusion applies only to the extent the income is includable in federal adjusted gross income or in the computation of alternative minimum taxable income for purposes of the alternative minimum tax under section 290.091 and is not excluded under section 290.491. In the case of a corporation, this exclusion applies only to the extent the income is not otherwise excluded under section 290.08, subdivision 20 or under 290.491.

Sec. 6. Minnesota Statutes 1984, section 290.09, is amended by adding a subdivision to read:

Subd. 32. [INTEREST ON QUALIFYING FUEL ALCOHOL LOANS.] (a) A deduction is allowed for interest received or accrued by a lender on a qualifying fuel alcohol loan for the taxable year.

(b) For purposes of this subdivision, a "qualifying fuel alcohol loan" means a loan to an individual, partnership or corporation engaged primarily in the business of farming for the purpose of acquiring equipment or making improvements to property for

the production of ethyl alcohol from agricultural products for use as a motor vehicle fuel. The alcohol production facility must be located on the farm premises of the borrower. The maximum amount of a loan to an individual, partnership or corporation is \$100,000.

Sec. 7. Minnesota Statutes 1985 Supplement, section 290.491, is amended to read:

290.491 [TAX ON GAIN; DISCHARGE IN BANKRUPTCY.]

(a) Any tax due under this chapter on a gain realized on a forced sale pursuant to foreclosure of a mortgage or other security interest in agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be a dischargeable debt in a bankruptcy proceeding under United States Code, title 11, section 727.

(A GAIN) (b) *Income realized on a sale or exchange of agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be exempt from taxation under this chapter, if the taxpayer was insolvent at the time of the sale and the proceeds of the sale were used solely to discharge indebtedness secured by a mortgage, lien or other security interest on the property sold or if the income was realized as a result of the foreclosure of a mortgage or other security interest in the property. For purposes of this section, "insolvent" means insolvent as defined in section 108(d)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1984. This paragraph applies only to the extent that the gain is includable in federal adjusted gross income or in the computation of the alternative minimum taxable income under section 290.091 for purposes of the alternative minimum tax. In the case of an exemption based on insolvency, the amount of the exemption is limited to the excess of the taxpayer's (1) liabilities over (2) the total assets and any exclusion claimed under section 108 of the Internal Revenue Code of 1954, as amended through December 31, 1985, determined immediately before application of this paragraph.*

(c) *For purposes of this section, any tax due under this chapter specifically includes, but is not limited to, tax imposed under sections 290.02 and 290.03 on income derived from a sale or exchange, whether constituting gain, discharge of indebtedness or recapture of depreciation deductions, or the alternative minimum tax imposed under section 290.091.*

Sec. 8. [EFFECTIVE DATE.]

This article is effective for taxable years beginning after December 31, 1985.

Article 6

Section 1. Minnesota Statutes 1984, section 279.01, as amended by Laws 1985, chapter 300, section 12; and Laws 1985, first special session, chapter 14, article 4, section 82, is amended to read:

279.01 [DUE DATE; PENALTIES, INTEREST.]

Subdivision 1. *Except as provided in subdivision 3*, on May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 1c, 2c, or 6a, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to his payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the 16th day of each month, up to and including October 16 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following; provided, also, that the same may be paid in installments as follows: One-fourth prior to March 16; one-fourth prior to May 16; one-fourth prior to August 16; and the remaining one-fourth prior to October 16, subject to the aforesaid penalties. Where the taxes delinquent after October 16 against any tract or parcel exceed \$100, upon resolution of the county board, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to

the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Subd. 2. In the case of any tax on class 1a, 1b, and 2a homestead property paid within 30 days after the due date specified in this section or after the 30 day extension as specified in subdivision 3, the county board may, with the concurrence of the county treasurer, delegate to the county treasurer the power to abate the penalty provided for late payment. Notwithstanding section 270.07, if any county board so elects, the county treasurer may abate the penalty if in his judgment the imposition of the penalty would be unjust and unreasonable.

Subd. 3. In the case of class 1b and class 2a agricultural homestead property and class 2c agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 1b and class 2a homestead property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 16 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class 2c nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 16 following, an additional four percent shall be charged on all such unpaid taxes.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for property taxes payable in 1986 and subsequent years."

Amend the title as follows:

Page 1, line 10, delete the first "a subdivision" and insert "subdivisions"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1847, A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for em-

ployer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; setting the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, sections 14.48; 14.51; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1699, 1725 and 1761 were read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Schoenfeld moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1761 be given its third reading and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Schoenfeld motion and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bennett	Carlson, D.	Dimler	Frederick
Anderson, R.	Bishop	Carlson, L.	Dyke	Frederickson
Backlund	Blatz	Clark	Elieff	Frerichs
Battaglia	Boerboom	Clausnitzer	Ellingson	Greenfield
Beard	Boo	Cohen	Erickson	Gruenes
Becklin	Brown	Dempsey	Fjoslien	Gutknecht
Begich	Burger	DenOuden	Forsythe	Halberg

Hartinger	Marsh	Onnen	Rose	Tjornhom
Hartle	McEachern	Osthoff	Sarna	Tomlinson
Heap	McLaughlin	Otis	Schafer	Tompkins
Himle	McPherson	Ozment	Scheid	Tunheim
Jacobs	Metzen	Pauly	Schoenfeld	Uphus
Jaros	Miller	Peterson	Schreiber	Valan
Jennings, L.	Minne	Picpho	Scaberg	Valento
Johnson	Munger	Piper	Segal	Vanasek
Kahn	Murphy	Poppenhagen	Shaver	Vollenga
Kalis	Nelson, D.	Price	Sherman	Voss
Kelly	Nelson, K.	Quinn	Simoneau	Walkman
Kiffmeyer	Neuenschwander	Quist	Solberg	Welle
Knickerbocker	Norton	Redalen	Sparby	Wynia
Knuth	O'Connor	Rees	Stanius	Zaffke
Krueger	Ogren	Rest	Staten	Spk. Jennings, D.
Kvam	Olsen, S.	Richter	Sviggum	
Levi	Olson, E.	Rivenesa	Thiede	
Long	Omann	Rodosovich	Thorson	

The motion prevailed.

Schoenfeld moved that the rules of the House be so far suspended that H. F. No. 1761 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 1761 was reported to the House.

There being no objection the Speaker temporarily laid over H. F. No. 1761.

SECOND READING OF HOUSE BILLS, Continued

H. F. No. 1773 was read for the second time.

Elioff was excused for the remainder of today's session.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Clark, Segal and Gruenes introduced:

H. F. No. 1859, A bill for an act relating to insurance; accident and health; providing group coverage for ambulatory mental health services; amending Minnesota Statutes 1984, section 62A.152.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Forsythe, Valento, Tomlinson, Stanius and McPherson introduced:

H. F. No. 1860, A bill for an act relating to metropolitan government; permitting the metropolitan mosquito control commission to issue certificates of indebtedness; amending Minnesota Statutes 1984, section 473.711, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Carlson, L.; McLaughlin; Rest; Rose and Ellingson introduced:

H. F. No. 1861, A bill for an act relating to taxation; delaying the effective date of the repeal of the residential energy credit; amending Laws 1985, first special session chapter 14, article 1, section 61.

The bill was read for the first time and referred to the Committee on Taxes.

Nelson, K., and Ellingson introduced:

H. F. No. 1862, A bill for an act relating to retirement; granting an annuity increase to a certain annuitant of the public employees retirement association.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Seaberg, Kelly, Blatz and Marsh introduced:

H. F. No. 1863, A bill for an act relating to crimes; clarifying the crime of failing to file a tax return; creating a presumption that property acquired during the course of certain crimes are "proceeds" of the crime for purposes of forfeiture law; providing a court procedure to freeze bank funds of persons charged with certain crimes; amending Minnesota Statutes 1985 Supplement, sections 290.92, subdivision 15; and 609.531, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Dyke and McPherson introduced:

H. F. No. 1864, A bill for an act relating to agriculture; family farm security program; providing an interest subsidy payment for certain seller sponsored loans; amending Minnesota Statutes 1984, section 41.57, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Agriculture.

Greenfield, Vellenga, Blatz, Bishop and Rest introduced:

H. F. No. 1865, A bill for an act relating to criminal procedure; providing for in camera hearings on certain evidentiary issues in criminal sexual conduct cases; amending Minnesota Statutes 1984, section 609.347, subdivision 4.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Rodosovich introduced:

H. F. No. 1866, A bill for an act relating to individual income taxation; providing a subtraction for interest on seller sponsored family farm security loans; amending Minnesota Statutes 1985 Supplement, section 290.01, subdivision 20b.

The bill was read for the first time and referred to the Committee on Taxes.

Rodosovich introduced:

H. F. No. 1867, A bill for an act relating to human services; allowing counties to adopt family day care and group family day care regulations; proposing coding for new law in Minnesota Statutes, chapter 245.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Rodosovich introduced :

H. F. No. 1868, A bill for an act relating to human services; exempting certain rural providers of day care from the human services department day care rules; amending Minnesota Statutes 1984, section 245.792.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Valento, Stanius and Becklin introduced :

H. F. No. 1869, A bill for an act relating to local government units; authorizing the privatization of facilities for the treatment of wastewater and the furnishing of water; amending Minnesota Statutes 1984, section 474.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 471A.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Fjoslien, Quinn, Kostohryz, Dimler and McDonald introduced :

H. F. No. 1870, A bill for an act relating to veterans; providing for free motor vehicle license plates for former prisoners of war; amending Minnesota Statutes 1984, section 168.125.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Fjoslien, Kostohryz, Brinkman, Dimler and McDonald introduced :

H. F. No. 1871, A bill for an act relating to veterans; clarifying certain terms; providing for payment of compensation to certain patients and residents of state institutions; amending Minnesota Statutes 1984, section 246.151; and Minnesota Statutes 1985 Supplement, section 136C.13, subdivision 4.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Kiffmeyer and Dyke introduced:

H. F. No. 1872, A bill for an act relating to health; limiting recovery on medical malpractice claims; creating a patient's compensation fund; creating a residual malpractice insurance authority; establishing medical review panels; proposing coding for new law as Minnesota Statutes, chapter 147A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Sviggum introduced:

H. F. No. 1873, A bill for an act relating to workers' compensation; regulating the obligations and administration of the special compensation fund; regulating the payment and right to benefits; compensation court of appeals; regulating attorneys' fees; providing for the administration of claims; providing penalties; amending Minnesota Statutes 1984, sections 176.041, subdivision 4; 176.081, subdivision 1; 176.101, subdivisions 2, 3f, and 3v; 176.104, subdivision 1; 176.105, subdivision 4; 176.111, subdivisions 6, 12, 15, and 20; 176.129, subdivision 8; 176.131, subdivisions 1a and 3; 176.135, subdivision 1a; 176.138; 176.179; 176.225, subdivision 1; 176.231, subdivisions 1 and 10; 176.242, subdivision 2; 176.243, subdivision 3; 176.361, subdivision 1; 176.421, subdivision 6; 176.461; 176.521, subdivision 3; 176.603; 176.611, subdivision 2; Minnesota Statutes 1985 Supplement, section 176.101, subdivision 3e; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1984, sections 176.265; 176.431; 176.441; and 176.611, subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Sviggum, Vanasek, Redalen, Schreiber and Carlson, D., introduced:

H. F. No. 1874, A bill for an act relating to energy; providing renewable residential energy grants; appropriating money.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Kelly, Rose, Knuth, O'Connor and Valento introduced:

H. F. No. 1875, A bill for an act relating to health; creating a public corporation to provide health care services and research; providing that subsidiaries govern St. Paul Ramsey Medical Center and a physicians and dentists association; proposing coding for new law as Minnesota Statutes, chapter 246A; repealing Minnesota Statutes 1984, section 383A.41, as amended.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Brandl introduced:

H. F. No. 1876, A bill for an act relating to the city of Minneapolis; permitting the city to establish a consolidated city personnel system.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Tjornhom and Brandl introduced:

H. F. No. 1877, A bill for an act relating to taxation; authorizing the commissioner of revenue to make payments of police and fire aids directly to qualified recipients; clarifying the business license clearance requirements and removing the sunset; changing the dates for payments of property tax credits to the counties; clarifying the use of mortgage registration and deed tax receipts; clarifying the power of the counties to print deed tax stamps; and authorizing the commissioner of public safety to enter into reciprocal fuel tax compacts; amending Minnesota Statutes 1984, sections 69.021, subdivisions 4, 5, 7, and 9; 69.031, subdivision 3; 270.72, subdivisions 1, 2, and 3; 273.1391, subdivision 3; and 296.17, subdivision 6, and by adding a subdivision; and Minnesota Statutes 1985 Supplement, sections 69.031, subdivision 1; 273.136; 287.12; and 287.29, subdivision 1; and Laws 1985, first special session chapter 14, article 11, section 13; repealing Minnesota Statutes 1984, sections 69.031, subdivision 4; and 270.72, subdivision 5.

The bill was read for the first time and referred to the Committee on Taxes.

Norton, Vanasek, Schoenfeld, Piper and Ogren introduced:

H. F. No. 1878, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Clausnitzer, McEachern, Stanius and Rodosovich introduced:

H. F. No. 1879, A bill for an act relating to health; authorizing the commissioner of commerce to adopt rules related to financial affairs of health maintenance organizations; requiring certificates of authority to be issued by the commissioner of commerce; providing for supervision of health maintenance organizations; amending Minnesota Statutes 1984, sections 62D.03; 62D.04; 62D.041, by adding a subdivision; 62D.05, by adding a subdivision; 62D.08; 62D.12, subdivision 9; 62D.14; 62D.15, subdivision 1; 62D.16; 62D.17; 62D.20; and 62D.21; repealing Minnesota Statutes 1984, section 62D.041, subdivisions 6, 7, and 8; and Minnesota Statutes 1985 Supplement, section 62D.041, subdivision 5.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Clausnitzer and Carlson, J., introduced:

H. F. No. 1880, A bill for an act relating to human services; providing for a change in medical assistance and general assistance medical care reimbursements for treatment of mental illness; providing for a utilization review system of inpatient mental health care; amending Minnesota Statutes 1985 Supplement, section 256.969, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Clausnitzer introduced:

H. F. No. 1881, A bill for an act relating to the state agricultural society; prohibiting certain contract provisions; amending Minnesota Statutes 1985 Supplement, section 37.17, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Sviggum introduced :

H. F. No. 1882, A bill for an act relating to gasoline; changing the definition of agricultural alcohol gasoline; changing the identification marking on gasoline-alcohol blends; amending Minnesota Statutes 1985 Supplement, sections 296.01, subdivision 24; and 296.22, subdivision 13.

The bill was read for the first time and referred to the Committee on Agriculture.

Uphus, McDonald and Wenzel introduced :

H. F. No. 1883, A bill for an act relating to agriculture; clarifying the exceptions to prohibition against manufacture of food from adulterated milk or cream; amending Minnesota Statutes 1985 Supplement, section 32.21, subdivision 2.

The bill was read for the first time and referred to the Committee on Agriculture.

Uphus introduced :

H. F. No. 1884, A bill for an act relating to taxation; rescinding the repeal of the income tax exclusion for interest earned on certain family farm security loans; amending Minnesota Statutes 1985 Supplement, sections 41.55; 290.01, subdivisions 20a and 20b; and Laws 1985, first special session chapter 14, article 1, section 59.

The bill was read for the first time and referred to the Committee on Taxes.

Neuenschwander introduced :

H. F. No. 1885, A bill for an act relating to retirement; employees of the Falls nursing home who are members of the public employees retirement association.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Frederickson, Valento, Schreiber, Knickerbocker and Stanius introduced:

H. F. No. 1886, A bill for an act relating to local government; changing the notice requirements for proposed special assessments; amending Minnesota Statutes 1984, section 429.061, subdivision 2; Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Knuth introduced:

H. F. No. 1887, A bill for an act relating to drivers' licenses; providing for motorized bicycle instruction permits; setting a fee; amending Minnesota Statutes 1984, sections 171.02, subdivision 3; and 171.05, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Knuth introduced:

H. F. No. 1888, A bill for an act relating to traffic regulations; requiring damage vehicle release sticker on motor vehicle damaged in accident; amending Minnesota Statutes 1984, section 169.09, subdivisions 9, 12, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Elioff and Solberg introduced:

H. F. No. 1889, A bill for an act relating to education; requiring the state board for community colleges to develop upper division programs at the Arrowhead Community College.

The bill was read for the first time and referred to the Committee on Education.

Elioff and Battaglia introduced:

H. F. No. 1890, A bill for an act relating to retirement; Buhl police relief association; permitting the association to amend its bylaws to provide for the payment of benefits to the survivors of deceased members.

The bill was read for the first time and referred to the Committee on Governmental Operations.

McEachern, Marsh, Krueger, Brown and Schoenfeld introduced:

H. F. No. 1891, A bill for an act relating to motor vehicles; providing for special license plates for Vietnam era veterans; amending Minnesota Statutes 1984, section 168.12, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Bennett, Knickerbocker and Levi introduced:

H. F. No. 1892, A bill for an act relating to energy; changing the administration of the state energy code from the commissioner of energy and economic development to the commissioner of administration; amending certain provisions of the state energy code; amending Minnesota Statutes 1984, sections 16B.64, subdivision 4; and 116J.19, subdivision 8.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Seaberg, Levi, Bishop, Vellenga and Greenfield introduced:

H. F. No. 1893, A bill for an act relating to the juvenile court; revising and recodifying current laws governing the apprehension, detention, adjudication, and disposition of minors who commit unlawful acts or who are in need of protection or services; providing additional due process protections for minors and other parties who are subject to juvenile court jurisdiction;

placing limitations on voluntary out-of-home placements of minors; providing for substitute care review; establishing a procedure for the review of residential admissions of minors to chemical dependency and mental illness treatment programs; requiring court review in certain cases; establishing criteria for the assessment and treatment of minors; requiring licensing of treatment programs; establishing minor patients' rights; creating a state office of youth advocate and county youth advocates; imposing penalties; amending Minnesota Statutes 1984, sections 242.19, subdivision 2; 253B.04; 257.071; 259.23, subdivision 1; 260.022, subdivision 4; 260.024, subdivision 2; 260.031, subdivision 1; 260.094; 260.101; 260.103, subdivision 1; 260.121, subdivisions 1 and 2; 260.131; 260.132; 260.133, subdivision 1; 260.135, subdivisions 2 and 3; 260.141, subdivision 1; 260.145; 260.151, subdivision 1; 260.155, subdivisions 1, 3, 4, 5, and 8; 260.161, by adding a subdivision; 260.211; 260.221; 260.231, subdivision 3; 260.235; 260.251, subdivisions 1a and 4; 260.255; 260.315; 260.35; 484.70, subdivision 1; 484.73, subdivision 2; and 524.5-505; and Minnesota Statutes 1985 Supplement, sections 260.121, subdivision 3; 260.133, subdivision 2; 260.135, subdivision 1; 260.155, subdivision 4a; 260.156; 260.161, subdivision 2; and 260.36; proposing coding for new law as Minnesota Statutes, chapters 260A and 260B; repealing Minnesota Statutes 1984, sections 260.011, subdivision 1; 260.015, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 23, 24, and 25; 260.024, subdivision 1; 260.111; 260.115; 260.135, subdivision 5; 260.151, subdivision 2; 260.155, subdivisions 2 and 7; 260.165; 260.171, subdivisions 1, 2, 3, 5, 5a, and 6; 260.172, subdivisions 1, 2, and 3; 260.173; 260.181; 260.185; 260.191, subdivisions 1a, 1b, 1c, 2, 3, and 4; 260.192; 260.193; 260.194; 260.195; 260.261; 260.281; 260.291; and 260.301; Minnesota Statutes 1985 Supplement, sections 260.111, subdivision 2; 260.015, subdivisions 10 and 22; 260.171, subdivision 4; 260.172, subdivisions 2a, 2b, and 4; and 260.191, subdivisions 1, 1d, and 2a.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Becklin; Johnson; Jennings, L.; Knuth and Valento introduced:

H. F. No. 1894, A bill for an act relating to environment; providing terms and conditions for the administration of wastewater treatment plant construction grants and loans; appropriating money; amending Minnesota Statutes 1984, sections 115.07, subdivision 1; 115A.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Voss, Quinn, Backlund and Simoneau introduced:

H. F. No. 1895, A bill for an act relating to Anoka county; directing the department of energy and economic development to refund a bond deposit; appropriating money.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Nelson, K.; McLaughlin; Tjornhom; Rice and Pauly introduced:

H. F. No. 1896, A bill for an act relating to vital statistics; authorizing Minneapolis and Hennepin county to merge their registration districts; amending Minnesota Statutes 1984, section 144.214, subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Bennett; Sarna; Jennings, D.; Thorson and Solberg introduced:

H. F. No. 1897, A bill for an act relating to commerce; motor fuel franchises; extending the temporary prohibition on certain building alterations that eliminate service bays; amending Laws 1984, chapter 444, section 4.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Knuth introduced:

H. F. No. 1898, A bill for an act relating to real property; expanding class of persons who may receive duplicate certificate of title to registered land at direction of examiner of titles; providing that size of registered land drawings conform to uniform size for other plats; amending Minnesota Statutes 1984, section 508.44, subdivision 2; and Minnesota Statutes 1985 Supplement, section 508.47, subdivision 4.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rees introduced :

H. F. No. 1899, A bill for an act relating to state government; eliminating joint liability in tort for the state and municipalities; amending Minnesota Statutes 1984, section 604.02, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

Poppenhagen, Hartle, Metzen and Kalis introduced :

H. F. No. 1900, A bill for an act relating to insurance; changing certain incorporation requirements for domestic insurance corporations; amending Minnesota Statutes 1984, section 60A.07, subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Johnson introduced :

H. F. No. 1901, A bill for an act relating to commerce; exempting certain dredge material from requirements for state permits; proposing coding for new law in Minnesota Statutes, chapter 105.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Ellingson, Rest and Carlson, L., introduced :

H. F. No. 1902, A bill for an act relating to natural resources; establishing a youth conservation corps to promote employment of youths and young adults; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 84D.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Shaver introduced :

H. F. No. 1903, A bill for an act relating to local government; authorizing local units of government to reimburse homeowners' associations for the cost of maintaining certain roadways; proposing coding for new law in Minnesota Statutes, chapter 471.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Richter introduced :

H. F. No. 1904, A bill for an act relating to independent school district No. 820, Sebeka; allowing a fund transfer.

The bill was read for the first time and referred to the Committee on Education.

Osthoff, Price, Rest, Scheid and Jennings, L., introduced :

H. F. No. 1905, A bill for an act relating to education; providing for a tuition exemption for veterans; amending Minnesota Statutes 1985 Supplement, section 135A.04; repealing Minnesota Statutes 1985 Supplement, section 136C.13, subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Minne introduced :

H. F. No. 1906, A bill for an act relating to retirement; public employees retirement association; expanding conditions under which members of the association may purchase prior service credit; amending Minnesota Statutes 1984, section 353.36, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Backlund; Battaglia; Knuth; Anderson, R., and McPherson introduced:

H. F. No. 1907, A bill for an act relating to insurance; accident and health; providing group coverage for residents who are not otherwise eligible to obtain this coverage; proposing coding for new law in Minnesota Statutes, chapter 60A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Riveness, Piepho, Skoglund and Welle introduced:

H. F. No. 1908, A bill for an act relating to health; requiring planning for services for persons with brain impairment; establishing a statewide clearinghouse for caregiver information; reconvening the task force on needs for persons with brain impairment; amending Minnesota Statutes 1984, sections 145.912, by adding a subdivision; 145.92, subdivision 1; Minnesota Statutes 1985 Supplement, sections 256.01, subdivision 2; and 256E.03, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Piepho, Bishop, O'Connor and Ogren introduced:

H. F. No. 1909, A bill for an act relating to utilities; prohibiting utilities from conducting energy-related activities in competition with business except in circumstances that will ensure fair competition; authorizing and directing the public utilities commission to adopt rules; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 216C.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Kostohryz, Redalen and Omann introduced:

H. F. No. 1910, A bill for an act relating to horse racing; prohibiting certain betting practices; prescribing penalties; amending Minnesota Statutes 1984, sections 240.25, subdivision 2; and 240.26, subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

HOUSE ADVISORIES

The following House Advisory was introduced:

Ozment; Miller; Bishop; Jennings, D., and Kelly introduced:

H. A. No. 71, A proposal to study the state building code in relation to state buildings.

The advisory was referred to the Committee on Governmental Operations.

MOTIONS AND RESOLUTIONS

Bishop moved that the name of Skoglund be added as an author on H. F. No. 1301. The motion prevailed.

Fjoslien moved that the name of Clark be added as an author on H. F. No. 1599. The motion prevailed.

Ogren moved that the name of Krueger be added as an author on H. F. No. 1694. The motion prevailed.

Clausnitzer moved that the name of Kiffmeyer be added as an author on H. F. No. 1700. The motion prevailed.

Olsen, S., moved that the name of Metzen be stricken as an author and the name of Segal be added as an author on H. F. No. 1704. The motion prevailed.

Stanisus moved that the name of Olsen, S., be added as an author on H. F. No. 1706. The motion prevailed.

Blatz moved that the name of Tjornhom be added as an author on H. F. No. 1708. The motion prevailed.

Cohen moved that the name of Skoglund be added as an author on H. F. No. 1713. The motion prevailed.

Richter moved that the names of Clausnitzer and Waltman be added as authors on H. F. No. 1726. The motion prevailed.

Blatz moved that the name of Valento be added as an author on H. F. No. 1732. The motion prevailed.

Simoneau moved that the name of Segal be added as an author on H. F. No. 1734. The motion prevailed.

Pappas moved that the names of Kelly, Clark, Metzen and Segal be added as authors on H. F. No. 1736. The motion prevailed.

Vellenga moved that the name of Scheid be added as an author on H. F. No. 1743. The motion prevailed.

Quist moved that the name of Kiffmeyer be added as an author on H. F. No. 1744. The motion prevailed.

Schafer moved that the names of Carlson, D., and Gutknecht be added as authors on H. F. No. 1745. The motion prevailed.

Dempsey moved that the names of Redalen and Dyke be added as authors on H. F. No. 1759. The motion prevailed.

Blatz moved that the names of Kvam, Voss and McKasy be added as authors on H. F. No. 1764. The motion prevailed.

Clausnitzer moved that the name of Nelson, D., be added as an author on H. F. No. 1765. The motion prevailed.

Schreiber moved that the name of Kiffmeyer be added as an author on H. F. No. 1767. The motion prevailed.

Richter moved that the names of Waltman and McDonald be added as authors on H. F. No. 1770. The motion prevailed.

Olsen, S., moved that the name of Voss be added as an author on H. F. No. 1776. The motion prevailed.

Simoneau moved that the name of Clark be added as an author on H. F. No. 1777. The motion prevailed.

Simoneau moved that the name of Clark be added as an author on H. F. No. 1778. The motion prevailed.

Sviggum moved that the name of Schafer be added as an author on H. F. No. 1809. The motion prevailed.

Tjornhom moved that the name of Blatz be added as an author on H. F. No. 1813. The motion prevailed.

Schoenfeld moved that the names of Wenzel and Redalen be added as authors on H. F. No. 1816. The motion prevailed.

McEachern moved that the name of Clark be added as an author on H. F. No. 1825. The motion prevailed.

Segal moved that the name of Clark be added as an author on H. F. No. 1834. The motion prevailed.

Bishop moved that the names of Hartinger, Valento and Clark be added as authors on H. F. No. 1835. The motion prevailed.

Dimler moved that the name of Schafer be added as an author on H. F. No. 1842. The motion prevailed.

Hartle introduced :

House Resolution No. 37, A house resolution congratulating the Owatonna Future Farmers of America Dairy Judging Team for being named the 1985 national champion.

The resolution was referred to the Committee on Rules and Legislative Administration.

Jennings, D., for the Committee on Budget, introduced :

House Resolution No. 38, A house resolution setting the maximum limit on taxes and appropriations for the biennium.

The resolution was laid over one day.

Dempsey moved that H. F. No. 1781 be recalled from the Committee on Judiciary and be re-referred to the Committee on Agriculture. The motion prevailed.

Nelson, D., moved that H. F. No. 1795 be recalled from the Committee on Transportation and be re-referred to the Committee on Crime and Family Law. The motion prevailed.

Dempsey moved that H. F. No. 1796 be recalled from the Committee on Financial Institutions and Insurance and be re-referred to the Committee on Agriculture. The motion prevailed.

Bishop moved that H. F. No. 1824 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Judiciary. The motion prevailed.

Levi moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

There being no objection the order of business reverted to Second Reading of House Bills.

SECOND READING OF HOUSE BILLS

H. F. No. 1761 which was given a second reading and temporarily laid over earlier today was again reported to the House.

CALL OF THE HOUSE

On the motion of Levi and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Frederick	Marsh	Pauly	Simoneau
Anderson, R.	Frederickson	McDonald	Peterson	Skoglund
Backlund	Frerichs	McEachern	Piepho	Solberg
Battaglia	Greenfield	McKasy	Piper	Sparby
Beard	Gutknecht	McLaughlin	Poppenhagen	Stanius
Becklin	Hartinger	McPherson	Price	Staten
Begich	Hartle	Metzen	Quinn	Svigum
Bennett	Haukoos	Miller	Quist	Thiede
Boerboom	Heap	Minne	Redalen	Thorson
Boo	Himle	Munger	Rees	Tjornhom
Brandl	Jacobs	Murphy	Rest	Tomlinson
Brown	Jaros	Nelson, D.	Rice	Tompkins
Burger	Jennings, L.	Nelson, K.	Richter	Tunheim
Carlson, J.	Johnson	Neuenschwander	Riveness	Uphus
Carlson, L.	Kahn	Norton	Rodosovich	Valan
Clark	Kalis	O'Connor	Rose	Valento
Clausnitzer	Kelly	Ogren	Sarna	Vanasek
Cohen	Kiffmeyer	Olsen, S.	Schafer	Vellenga
Dempsey	Knickerbocker	Olson, E.	Scheid	Voss
Dimler	Knuth	Omann	Schoenfeld	Waltman
Dyke	Kostohryz	Onnen	Schreiber	Wynia
Ellingson	Krueger	Osthoff	Seaberg	Zaffke
Erickson	Kvam	Otis	Segal	Spk. Jennings, D.
Fjoslien	Levi	Ozment	Shaver	
Forsythe	Long	Pappas	Sherman	

Levi moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Piper moved to amend H. F. No. 1761, as amended by the Committee on Agriculture, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [CITATION.]

Sections 1 to 6 may be cited as the “emergency agricultural relief act of 1986.”

Sec. 2. [LEGISLATIVE FINDINGS.]

The legislature finds that conditions have deteriorated and thousands of farmers will have their land foreclosed and offered

at forced sales in the spring of 1986, causing agricultural land prices to fall drastically. The foreclosures and low land prices are causing and will cause extreme stress on rural financial institutions and all rural businesses, particularly those related to agricultural production, and financial panic conditions in areas that affect over one-third of the population of the state.

The legislature finds that foreclosure by advertisement will not provide a fair foreclosure process.

The legislature finds and declares existing relief is inadequate and that these conditions have resulted in a state of public economic emergency of a nature that justifies and validates court supervision of the foreclosure process, additional measures for the extension of time before foreclosure and foreclosure sales may be made, and for other relief.

Sec. 3. [APPLICATION.]

Subdivision 1. [DATE OF APPLICATION.] Sections 1 to 6 apply to the mortgages and security interests in this section that exist before February 1, 1986.

Subd. 2. [MORTGAGES HELD BY UNITED STATES.] Sections 1 to 6 apply to mortgages of agricultural production real estate held by the United States or by any agency, department, bureau, or instrumentality of the United States, as security or pledge of the mortgagor, its successors, or assigns.

Subd. 3. [MORTGAGES HELD AS SECURITY FOR PUBLIC DEBT.] Sections 1 to 6 apply to mortgages of agricultural production real estate held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Subd. 4. [MORTGAGES HELD BY LENDERS.] Sections 1 to 6 apply to all other mortgages of agricultural production real estate that are held by lenders that are in the business of lending money.

Subd. 5. [SECURITY INTERESTS IN AGRICULTURAL PERSONAL PROPERTY.] Sections 1 to 6 apply to all security interests in agricultural crops and livestock, and all personal property used for agricultural production that are held by lenders in the business of lending money.

Sec. 4. [MORATORIUM AND PROHIBITION OF DEFICIENCY JUDGMENTS.]

Subdivision 1. [MORATORIUM.] (a) Mortgages may not be foreclosed, or property sold by forced sale after foreclosure,

for one year after sections 1 to 5 become effective, except by court order under section 5.

(b) Agricultural production crops and livestock, and all personal property used for agricultural production may not be repossessed, or security interests in the personal property foreclosed, for one year after sections 1 to 5 become effective unless the debtor agrees in writing, or by court order under section 5.

Subd. 2. [DEFICIENCY JUDGMENTS.] An action for a deficiency judgment related to a sale of real or personal agricultural property may not be started, continued, or executed after sections 1 to 5 become effective.

Subd. 3. [PREVAILS OVER CONFLICTS.] Sections 1 to 5 prevail over Minnesota Statutes, chapter 583 and other laws that conflict with sections 1 to 5.

Sec. 5. [APPLICATION TO DISTRICT COURT FOR RELIEF.]

Subdivision 1. [PETITION.] A party to a mortgage or security interest may petition for relief to the district court of the county where the foreclosure proceedings are pending, or the district court of the mortgagor's or debtor's residence. The party petitioning the court must serve a summons and verified petition on parties to the mortgage or security interest and show why the repossession, foreclosure, or sale should be made.

Subd. 2. [RELIEF ALLOWED.] The court may order the repossession, foreclosure, or sale to proceed under applicable law and conditions provided by the court if the parties to the mortgage or security interest have had adequate legal representation and:

- (1) the parties to the security interest or mortgage agree;*
- (2) the mortgagor of the mortgaged real estate or the debtor of secured personal property does not have any equity in the property; or*
- (3) after considering all equitable arguments the court finds that there is no basis for the sale not to be held.*

Subd. 3. [POSTPONEMENT OF FORECLOSURE SALE AND REDEMPTION PERIOD.] If the court orders the foreclosure and sale to proceed, the court may postpone the date of foreclosure sale and the corresponding redemption period up to one year if it finds the following:

- (1) that the mortgagor or debtor is unable under all reasonable circumstances to make his payments; and*

(2) *that there is a reasonable prospect that postponement will enable the mortgagor or debtor to recover and continue farming into the foreseeable future.*

Subd. 4. [REDUCTION OF REDEMPTION PERIOD.] *The court may order the redemption period under Minnesota Statutes, section 580.23, to be reduced to compensate for the period of time that the sale was delayed, but the redemption period must not be less than 30 days. If the foreclosure sale is not delayed, the redemption period is as provided in Minnesota Statutes, section 580.23.*

Subd. 5. [COMPROMISES.] *If the parties to a security interest or mortgage agree in writing to a compromise settlement, a composition of the indebtedness, or both, the court has jurisdiction and may, by its order, confirm and approve the settlement, composition, or both.*

Subd. 6. [COURT MAY REVISE AND ALTER TERMS.] *A party to a mortgage or a security interest may apply to the court before the expiration of the period before the sale and present evidence that the terms set or approved by the court are not just and reasonable because circumstances have changed. The court may revise and alter the terms.*

Subd. 7. [HEARING.] *The hearing on the petition must be held within 30 days after the filing of the petition. The resulting order must be made and filed within five days after the hearing. An appeal may be made as in other civil actions.*

Sec. 6. Minnesota Statutes 1984, section 580.01, is amended to read:

580.01 [LIMITATION.]

Subject to the provisions of section 541.03, any mortgage of real estate containing a power of sale, except a mortgage of real estate used in agricultural production or a homestead, upon default being made in any condition thereof, may be foreclosed by advertisement.

Sec. 7. [REPEALER.]

Sections 1 to 5, except section 4, subdivision 2, are repealed one year after they become effective, but any postponement or other relief ordered by a court continues to be valid for the period ordered by the court.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment."

Delete the title and insert:

“A bill for an act relating to agriculture; declaring a public economic emergency to exist; prohibiting mortgage foreclosure and foreclosure sales for one year; prohibiting repossession, foreclosure, and foreclosure sales of agricultural personal property for one year; providing for an application to the court to allow repossession, foreclosure, and foreclosure sale; prohibiting actions for deficiency judgments; providing for the parties to compromise; prohibiting foreclosure of agricultural property by advertisement; repealing certain provisions of the act after one year; amending Minnesota Statutes 1984, section 580.01.”

A roll call was requested and properly seconded.

The question was taken on the Piper amendment and the roll was called.

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

There were 62 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	Munger	Piper	Solberg
Battaglia	Jennings, L.	Murphy	Price	Sparby
Beard	Kahn	Nelson, D.	Quinn	Staten
Begich	Kalis	Nelson, K.	Rest	Tomlinson
Brandl	Kelly	Neuenschwander	Rice	Tunheim
Brown	Knuth	Norton	Riveness	Vanasek
Carlson, D.	Kostohryz	O'Connor	Rodosovich	Vellenga
Carlson, L.	Krueger	Ogren	Sarna	Voss
Clark	Long	Olson, E.	Scheid	Welle
Cohen	McEachern	Osthoff	Schoenfeld	Wynia
Ellingson	McLaughlin	Otis	Segal	
Greenfield	Metzen	Pappas	Simoneau	
Jacobs	Minne	Peterson	Skoglund	

Those who voted in the negative were:

Anderson, R.	Dyke	Himle	Ozment	Stanius
Backlund	Erickson	Johnson	Pauly	Stiggum
Becklin	Fjoslien	Kiffmeyer	Piepho	Thiede
Bennett	Forsythe	Knickerbocker	Poppenhagen	Thorson
Bishop	Frederick	Kvam	Quist	Tjornhom
Blatz	Frederickson	Levi	Redalen	Tompkins
Boerboom	Frerichs	Marsh	Rees	Valan
Boo	Gruenes	McDonald	Richter	Valento
Burger	Gutknecht	McKasy	Rose	Waltman
Carlson, J.	Halberg	McPherson	Schafer	Zaffke
Clausnitzer	Hartinger	Miller	Schreiber	Spk. Jennings, D.
Dempsey	Hartle	Olsen, S.	Seaberg	
DenOuden	Haukoos	Omann	Shaver	
Dimler	Heap	Onnen	Sherman	

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

Scheid was excused for the remainder of today's session.

Riveness moved to amend H. F. No. 1761, as amended by the Committee on Agriculture, as follows:

Delete Section 1 and insert:

"Section 1. [CITATION.]

Sections 1 to 4 may be cited as the "Emergency Agricultural Act of 1986."

Section 2, delete subdivisions 6 and 7

Section 3, subdivision 1, delete paragraphs (c) and (d)

Section 3, delete subdivision 2, and insert:

"Subd. 2. [DEFICIENCY JUDGMENTS.] An action for or on a deficiency judgment related to a sale of real or personal agricultural production property may not be commenced, continued, or executed for one year after sections 1 to 4 become effective."

A roll call was requested and properly seconded.

The question was taken on the Riveness amendment and the roll was called.

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

There were 51 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Kalis	Nelson, K.	Price	Tomlinson
Beard	Kelly	Neuenschwander	Quinn	Tunheim
Brandl	Knuth	Norton	Rest	Vanasek
Carlson, L.	Kostohryz	O'Connor	Rice	Vellenga
Cohen	Krueger	Ogren	Riveness	Voss
Ellingson	Long	Olson, E.	Sarna	Welle
Greenfield	McEachern	Osthoff	Schoenfeld	Wynia
Jacobs	Metzen	Otis	Segal	
Jaros	Munger	Pappas	Skoglund	
Jennings, L.	Murphy	Peterson	Sparby	
Kahn	Nelson, D.	Piper	Staten	

Those who voted in the negative were:

Anderson, R.	Begich	Boerboom	Carlson, J.	DenOuden
Backlund	Bennett	Boo	Clark	Dimler
Battaglia	Bishop	Burger	Clausnitzer	Dyke
Becklin	Blatz	Carlson, D.	Dempsey	Erickson

Fjoslien	Himle	Olsen, S.	Rose	Tjornhom
Forsythe	Johnson	Omann	Schafer	Tompkins
Frederick	Kiffmeyer	Onnen	Schreiber	Uphus
Frederickson	Knickerbocker	Ozment	Seaberg	Valan
Frerichs	Kvam	Pauly	Shaver	Valento
Gruenes	Levi	Piepho	Sherman	Waltman
Gutknecht	Marsh	Poppenhagen	Simoneau	Zaffke
Halberg	McDonald	Quist	Solberg	Spk. Jennings, D.
Hartinger	McKasy	Redalen	Stanisus	
Hartle	McPherson	Rees	Swiggum	
Haukoos	Miller	Richter	Thiede	
Heap	Minne	Rodosovich	Thorson	

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

Ogren moved to amend H. F. No. 1761, as amended by the Committee on Agriculture, as follows:

Section 2, delete subdivision 6, and insert:

"Subd. 6. [MORTGAGES AND SECURITY INTERESTS OF SMALL BUSINESSES.] Sections 1 to 4 apply to all mortgages and security interests in real and personal property of a small business, as that term is defined in Minnesota Statutes, section 645.445, located in a county designated under Minnesota Statutes, section 297A.257, if the mortgages or security interests are held by a lender or agency listed in subdivisions 1 to 5."

Section 2, delete subdivision 7, and insert:

"Subd. 7. [MORTGAGES AND SECURITY INTERESTS OF HOMESTEAD PROPERTY.] Sections 1 to 4 apply to all mortgages and security interests in real and personal property consisting of or located on homestead property as defined in Minnesota Statutes, section 510.01, in a county designated under Minnesota Statutes, section 297A.257, if the mortgages or security interests are held by a lender or agency listed in subdivisions 1 to 5."

A roll call was requested and properly seconded.

The question was taken on the Ogren amendment and the roll was called.

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

There were 56 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Begich	Carlson, L.	Greenfield	Kahn
Battaglia	Brandl	Cohen	Jaros	Kalis
Beard	Brown	Ellingson	Jennings, L.	Kelly

Knuth	Nelson, D.	Pappas	Schoenfeld	Vanasek
Kostohryz	Nelson, K.	Peterson	Segal	Vellenga
Krueger	Neuenschwander	Piper	Simoneau	Voss
Long	Norton	Price	Skoglund	Welle
McEachern	O'Connor	Quinn	Solberg	Wynia
McLaughlin	Ogren	Rest	Sparby	
Minne	Olson, E.	Rice	Staten	
Munger	Osthoff	Rodosovich	Tomlinson	
Murphy	Otis	Sarna	Tunheim	

Those who voted in the negative were:

Anderson, R.	Dimler	Heap	Onnen	Shaver
Backlund	Dyke	Himle	Ozment	Sherman
Becklin	Erickson	Johnson	Pauly	Stanius
Bennett	Fjoslien	Kiffmeyer	Piepho	Sviggum
Bishop	Forsythe	Knickerbocker	Poppenhagen	Thiede
Blatz	Frederick	Kvam	Quist	Thorson
Boerboom	Frederickson	Levi	Redalen	Tjornhom
Boo	Frerichs	Marsh	Rees	Tompkins
Burger	Gruenes	McDonald	Richter	Uphus
Carlson, D.	Gutknecht	McKasy	Riveness	Valan
Carlson, J.	Halberg	McPherson	Rose	Valento
Clausmitzer	Hartinger	Miller	Schafer	Waltman
Dempsey	Hartle	Olsen, S.	Schreiber	Zaffke
DenOuden	Haukoos	Omann	Seaberg	Spk. Jennings, D.

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

H. F. No. 1761, A bill for an act relating to commerce; prohibiting certain mortgage foreclosure and foreclosure sales for one year; prohibiting repossession, foreclosure, and foreclosure sales of certain personal property for one year; providing for an application to the court to allow repossession, foreclosure, and foreclosure sale; prohibiting actions for deficiency judgments; providing for the parties to compromise.

The bill was read for the third time, as amended by the Committee on Agriculture, and placed upon its final passage.

The question was taken on the final passage of the bill and the roll was called.

Pursuant to rule 2.5, Segal requested that she be excused from voting on H. F. No. 1761.

Segal stated her reasons for declining to vote.

Pursuant to rule 2.5, the Speaker submitted to the House the question "Shall the member, for the reasons stated, be excused from voting?" The House did not excuse Segal from voting.

POINT OF ORDER

Osthoff raised a point of order pursuant to established custom and usage of the House regarding unexcused members to vote. The Speaker ruled the point of order not well taken.

Pursuant to rule 2.5, Segal requested that she be excused from voting on H. F. No. 1761.

A roll call was requested and properly seconded.

POINT OF ORDER

Skoglund raised a point of order pursuant to rule 2.5 relating to every unexcused member to vote. The Speaker ruled the point of order not well taken.

The question recurred on the Segal request that she be excused from voting on H. F. No. 1761 and the roll was called. There were 81 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dyke	Kostohryz	Pappas	Solberg
Anderson, R.	Ellingson	Krueger	Pauly	Sparby
Battaglia	Erickson	Long	Peterson	Staten
Beard	Fjoslien	McEachern	Piper	Thorson
Becklin	Forsythe	McLaughlin	Price	Tomlinson
Begich	Greenfield	Metzen	Quinn	Tompkins
Bishop	Gruenes	Minne	Rest	Tunheim
Blatz	Halberg	Murphy	Rice	Vanasek
Boo	Hartle	Nelson, D.	Richter	Vellenga
Brandl	Himle	Nelson, K.	Riveness	Voss
Brown	Jacobs	Neuenschwander	Rodosovich	Welle
Burger	Jennings, L.	Norton	Sarna	Wynia
Carlson, D.	Johnson	O'Connor	Schoenfeld	Zaffke
Carlson, J.	Kahn	Ogren	Seaberg	
Carlson, L.	Kalis	Omann	Segal	
Clark	Kelly	Osthoff	Simoneau	
Cohen	Knuth	Otis	Skoglund	

Those who voted in the negative were:

Backlund	Frerichs	Marsh	Quist	Sviggum
Bennett	Gutknecht	McDonald	Redalen	Tjornhom
Boerboom	Hartinger	McPherson	Rees	Uphus
Clausnitzer	Haukoos	Miller	Rose	Valan
Dempsey	Heap	Olsen, S.	Schafer	Valento
DenOuden	Kiffmeyer	Onnen	Schreiber	Waltman
Dimler	Knickerbocker	Ozment	Shaver	Spk. Jennings, D.
Frederick	Kvam	Piepho	Sherman	
Frederickson	Levi	Poppenhagen	Stanius	

The House excused Segal from voting.

The roll was called on the final passage of H. F. No. 1761, as amended by the Committee on Agriculture.

There were 52 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Begich	Clark	Greenfield	Kalis
Battaglia	Brown	Cohen	Jaros	Kelly
Beard	Carlson, D.	Ellingson	Kahn	Knuth

Kostohryz	Nelson, D.	Pappas	Sarna	Uphus
Krueger	Neuenschwander	Peterson	Schoenfeld	Vanasek
Long	Norton	Piper	Simoneau	Vellenga
McEachern	O'Connor	Price	Solberg	Welle
McLaughlin	Ogren	Quinn	Sparby	Wynia
Minne	Olson, E.	Redalen	Staten	
Munger	Osthoff	Rice	Tomlinson	
Murphy	Otis	Rodosovich	Tunheim	

Those who voted in the negative were:

Anderson, R.	Dyke	Jennings, L.	Ozment	Stanius
Backlund	Erickson	Johnson	Pauly	Sviggum
Becklin	Fjoslien	Kiffmeyer	Piepho	Thiede
Bennett	Forsythe	Knickerbocker	Poppenhagen	Thorson
Bishop	Frederick	Kvam	Quist	Tjornhom
Blatz	Frederickson	Levi	Rees	Tompkins
Boerboom	Frerichs	Marsh	Rest	Valan
Boo	Gruenes	McDonald	Richter	Valento
Brandl	Gutknecht	McKasy	Riveness	Voss
Burger	Halberg	McPherson	Rose	Waltman
Carlson, J.	Hartinger	Metzen	Schafer	Zaffke
Carlson, L.	Hartle	Miller	Schreiber	Spk. Jennings, D.
Clausnitzer	Haukoos	Nelson, K.	Seaberg	
Dempsey	Heap	Olsen, S.	Shaver	
DenOuden	Himle	Omann	Sherman	
Dimler	Jacobs	Onnen	Skoglund	

The bill was not passed, as amended by the Committee on Agriculture.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, February 10, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, February 10, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SIXTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 10, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Nancy Knutsen, Director for Witness, American Lutheran Church Women, Minneapolis, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Ellingson	Krueger	Otis	Skoglund
Anderson, R.	Erickson	Kvam	Ozment	Solberg
Backlund	Fjoslien	Levi	Pappas	Sparby
Battaglia	Forsythe	Lieder	Peterson	Stanius
Beard	Frederick	Long	Piepho	Staten
Becklin	Frederickson	Marsh	Piper	Sviggum
Begich	Frerichs	McDonald	Poppenhagen	Thiede
Bennett	Greenfield	McEachern	Price	Thorson
Bishop	Gruenes	McKasy	Quinn	Tjornhom
Blatz	Gutknecht	McLaughlin	Quist	Tomlinson
Boerboom	Halberg	McPherson	Redalen	Tompkins
Boo	Hartinger	Metzen	Rees	Tunheim
Brandl	Hartle	Miller	Rest	Uphus
Brinkman	Haukoos	Minne	Rice	Valan
Brown	Heap	Munger	Richter	Valento
Burger	Himle	Murphy	Riveness	Vanasek
Carlson, D.	Jacobs	Nelson, D.	Rodosovich	Vellenga
Carlson, J.	Jaros	Nelson, K.	Rose	Voss
Carlson, L.	Jennings, L.	Neuenschwander	Sarna	Waltman
Clark	Johnson	Norton	Schafer	Welle
Clausnitzer	Kahn	O'Connor	Scheid	Wenzel
Cohen	Kalis	Ogren	Schoenfeld	Wynia
Dempsey	Kelly	Olsen, S.	Schreiber	Zaffke
DenOuden	Kiffmeyer	Olson, E.	Seaberg	Spk. Jennings, D.
Dimler	Knickerbocker	Omman	Segal	
Dyke	Knuth	Onnen	Shaver	
Elioff	Kostohryz	Osthoff	Simoneau	

A quorum was present.

Sherman was excused.

Pauly was excused until 3:20 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kvam moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1725, 1773, 1699 and 1761 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Levi from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 424, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article V, sections 1, 3, and 4; article VIII, section 2; and article XI, sections 7 and 8; eliminating the office of state treasurer; giving the treasurer's powers and duties to another officer provided by law.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Governmental Operations.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 528, A bill for an act relating to Special School District No. 1 of the city of Minneapolis; increasing the size of the board of education to nine members; providing for six members to be elected by districts; amending Laws 1959, chapter 462, section 3, subdivisions 1 and 3, as amended and renumbered.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Governmental Operations.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1035, A bill for an act relating to frauds; fixing conditions for the legal determination of fraud in property transfers; enacting the uniform fraudulent transfer act; proposing coding for new law in Minnesota Statutes, chapter 513; repealing Minnesota Statutes 1984, sections 513.20; 513.21; 513.22; 513.23; 513.24; 513.25; 513.26; 513.27; 513.28; 513.29; 513.30; 513.31; and 513.32.

Reported the same back with the following amendments:

Page 5, line 21, delete "*or reasonably should*"

Page 5, line 22, delete "*have believed*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1224, A bill for an act relating to courts; providing that tax court judges must be learned in the law; permitting retired tax court judges and district court judges to serve on the tax court; amending Minnesota Statutes 1984, section 271.01, subdivision 1, and by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1599, A bill for an act relating to state monuments; authorizing development of a plan for a memorial to Native Americans; amending Minnesota Statutes 1984, section 138.585, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1764, A bill for an act relating to commerce; providing medical malpractice insurance to health care providers who are unable to obtain the coverage in the voluntary market; regulating malpractice actions against health care providers; providing certification of expert review and the waiver of privilege by health care providers; requiring disclosure of experts; revising the statute of limitations for minors; removing punitive damages; limiting noneconomic losses; changing the collateral source

rule; and providing periodic payments of damages exceeding a threshold limitation; amending Minnesota Statutes 1984, sections 62F.04, subdivision 1, and by adding a subdivision; 62F.06, subdivision 1; 541.15; 549.09, subdivision 1; 549.20, subdivision 1, and by adding a subdivision; and 595.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 62F.04, is amended by adding a subdivision to read:

Subd. 1a. [REAUTHORIZATION.] The authorization to issue insurance is valid for a period of one year from the date it was made. The commissioner may reauthorize the issuance of insurance for an additional one-year period under the terms of subdivision 1. This subdivision is not a limitation on the number of times the commissioner may reauthorize the issuance of insurance.

Sec. 2. Minnesota Statutes 1984, section 62F.06, subdivision 1, is amended to read:

Subdivision 1. A policy issued by the association shall provide for a continuous period of coverage beginning with its effective date and terminating automatically at 12:01 a.m. on September 1, 1988, or sooner as provided in sections 62F.01 to 62F.14. The policy shall be issued subject to the group retrospective rating plan and the stabilization reserve fund authorized by section 62F.09. The policy shall be written to apply to (INJURY WHICH RESULTS FROM ACTS OR OMISSIONS) claims first made against the insured and reported to the association during the policy period. No policy form shall be used by the association unless it has been filed with the commissioner, and the commissioner may disapprove the form within 30 days if he determines it is misleading or violates public policy.

MALPRACTICE ACTIONS AGAINST HEALTH CARE PROVIDERS

Sec. 3. [145.681] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 3 to 8, the terms defined in this section have the meanings given them.

Subd. 2. [COLLATERAL SOURCE.] “Collateral sources” means payments, related to the injury or disability in question, made to the plaintiff, or on the plaintiff’s behalf, by or pursuant to:

(1) *the United States Social Security Act; any federal, state, or local income disability or workers' compensation act; and any other public programs providing medical expenses, disability payments, or other similar benefits;*

(2) *health, sickness, or income disability insurance; automobile accident insurance or liability insurance that provide health benefits or income disability coverage; and other similar insurance benefits, except life insurance benefits available to the plaintiff, whether purchased by the plaintiff or provided by others;*

(3) *a contract or agreement of a group, organization, partnership, or corporation to provide, pay for, or reimburse the costs of hospital, medical, dental, or other health care services;*

(4) *a contractual or voluntary wage continuation plan provided by employers or other system intended to provide wages during a period of disability.*

Subd. 3. [ECONOMIC LOSS.] *"Economic loss" means all pecuniary harm for which damages are recoverable, including, but not limited to, medical expenses, loss of earnings, and loss of earning capacity.*

Subd. 4. [EQUIVALENT LUMP SUM VALUE.] *"Equivalent lump sum value" means the present value of the future damages awarded as determined by the court in accordance with section 7, subdivision 4, paragraph (b).*

Subd. 5. [FUTURE DAMAGES.] *"Future damages" means all damages which the trier of fact finds will accrue after the damage findings are made.*

Subd. 6. [HEALTH CARE PROVIDER.] *"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.*

Subd. 7. [NONECONOMIC LOSS.] *"Noneconomic loss" means all nonpecuniary harm for which damages are recoverable, including, but not limited to, pain, disability, disfigurement, embarrassment, emotional distress, and loss of consortium.*

Subd. 8. [PAST DAMAGES.] *"Past damages" means all damages that have accrued when the damage findings are made.*

Subd. 9. [PERIODIC AWARD.] *"Periodic award" means that amount payable to the plaintiff periodically into the future and determined by the court by deducting from the future dam-*

ages awarded by the trier of fact amounts payable to the plaintiff's attorney under section 7, subdivision 4, paragraph (d) and reimbursement to subrogees under section 7, subdivision 4, paragraph (e).

Subd. 10. [PRESENT AWARD.] "Present award" means that amount payable in lump sum upon entry of judgment, including the amount awarded for past damages, contingent attorney's fees calculated under section 7, subdivision 4, paragraph (c) and reimbursement to subrogees under section 7, subdivision 4, paragraph (e).

Subd. 11. [RECOVERED.] "Recovered" means the amount of money the plaintiff is entitled to receive after the application of any rules of law including setoffs, comparative fault, additurs, and remittiturs.

Subd. 12. [TOTAL AWARD.] "Total award" means the equivalent lump sum value of future damages added to the amount of past damages awarded.

Sec. 4. [145.682] [CERTIFICATION OF EXPERT REVIEW; AFFIDAVIT.]

Subdivision 1. [REQUIREMENT.] In an action alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider which includes a cause of action as to which expert testimony is necessary to establish a prima facie case, the plaintiff must: (1) unless otherwise provided in subdivision 2, paragraph (b), serve upon defendant with the summons and complaint an affidavit as provided in subdivision 2; and (2) serve upon defendant within 120 days after commencement of the suit an affidavit as provided by subdivision 3.

Subd. 2. [AFFIDAVIT OF EXPERT REVIEW.] The affidavit required by subdivision 1, clause (1), must be by the plaintiff's attorney and state that:

(a) the facts of the case have been reviewed by the plaintiff's attorney with an expert whose qualifications provide a reasonable expectation that the expert's opinions will be admissible at trial and that, in the opinion of this expert, each defendant deviated from the applicable standard of care for that defendant and by that action caused injury to the plaintiff; or

(b) the expert review required by paragraph (a) could not reasonably be obtained before the action was commenced because of the applicable statute of limitations. If an affidavit is executed pursuant to this paragraph, the affidavit in subdivision 2, paragraph (a) must be served on defendant or the defendant's counsel within 90 days after service of the summons and complaint.

Subd. 3. [IDENTIFICATION OF EXPERTS TO BE CALLED.] *The affidavit required by subdivision 1, clause (2), must be by the plaintiff's attorney and state the identity of each person whom plaintiff expects to call as an expert witness at trial to testify with respect to the issues of malpractice or causation, the substance of the facts and opinions to which the expert is expected to testify, and a summary of the grounds for each opinion. Answers to interrogatories that state the information required by this subdivision satisfy the requirements of this subdivision if they are signed by the plaintiff's attorney and served upon the defendant within 120 days after commencement of the suit against the defendant.*

Subd. 4. [RESPONSIBILITIES OF PLAINTIFF AS ATTORNEY.] *If the plaintiff is acting pro se, the plaintiff shall sign the affidavit or answers to interrogatories referred to in this section and is bound by those provisions as if represented by an attorney.*

Subd. 5. [PENALTY FOR NONCOMPLIANCE.] *Failure to comply with subdivisions 1 to 4 results, upon motion, in mandatory dismissal with prejudice of each cause of action as to which expert testimony is necessary to establish a prima facie case.*

Subd. 6. [CONSEQUENCES OF SIGNING AFFIDAVIT.] *The signature of the plaintiff or the plaintiff's attorney constitutes a certification that the person has read the affidavit or answers to interrogatories, and that to the best of the person's knowledge, information, and belief formed after a reasonable inquiry, it is true, accurate, and made in good faith. If a certification is made in violation of this subdivision, the violation constitutes unprofessional conduct and is grounds for discipline against the attorney, and subjects the attorney or plaintiff to reasonable attorney's fees, costs, and disbursements.*

Sec. 5. [145.683] [NOTICE TO SUBROGEEES.]

Subdivision 1. [REQUIREMENT.] *In an action alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider, the plaintiff must send notice of the action by certified mail to all persons who have made payments to the plaintiff or on the plaintiff's behalf or who are likely to make payments to the plaintiff or on the plaintiff's behalf for the loss alleged to have been suffered in the action. The notice must be sent simultaneously with the service of the summons and complaint in the action.*

Subd. 2. [WAIVER OF RIGHT.] *No subrogation right may be asserted under section 8, subdivision 1, clause (1), after entry of the verdict if the person asserting the right has been sent a notification under this section.*

Sec. 6. [145.684] [NONECONOMIC LOSSES; LIMITATIONS.]

In actions for malpractice, error, mistake, or failure to cure, whether based on contract or tort, against health care providers, the amount of damages for noneconomic losses must not exceed \$250,000.

Sec. 7. [145.685] [PERIODIC PAYMENT OF DAMAGES.]

Subdivision 1. [ELECTION OF PERIODIC PAYMENT.]
In actions for malpractice, error, mistake, or failure to cure, whether based on contract or tort, against health care providers where the trier of fact awards future damages in excess of \$100,000, the court may upon its own initiative, and shall, upon motion by any party within ten days of the date of entry of the verdict, order that the award, after appropriate deductions in accordance with subdivision 4, be paid out periodically for the benefit of the plaintiff or plaintiffs in accordance with this section.

Subd. 2. [SPECIAL FINDINGS REQUIRED.] (a) *If liability is found in a trial under this section, the trier of fact shall make separate findings for each plaintiff specifying the amount of:*

- (1) *past damages; and*
- (2) *future damages of each of the following types:*
 - (i) *medical expenses;*
 - (ii) *loss of earnings or loss of earning capacity; and*
 - (iii) *noneconomic loss.*

(b) *For each of the type of damages specified in paragraph (a), clause (2), the trier of fact shall specify the period of time over which the damage will occur.*

(c) *If the trier of fact finds that certain future damages will accrue for definite number of years, periodic payments for those damages must be calculated based on the definite number of years.*

(d) *If the trier of fact finds that certain future damages will accrue for the remainder of the plaintiff's life, the trier of fact shall specify the remaining life expectancy of the plaintiff, and periodic payments for those damages must be calculated based on that remaining life expectancy.*

Subd. 3. [DETERMINATION OF FUTURE DAMAGES.]
(a) *In all trials under this section, future damages must be*

calculated by the trier of fact without discounting future damages to present value.

(b) In all jury trials in which special findings are required under this section, the jury must be informed that with respect to future damages:

(1) the law takes into account the fact that those payments may be made in the future rather than in one lump sum now; and

(2) the jury shall make their findings on the assumption that appropriate adjustments for the present value of those payments will be made later and that the jury should not discount future damages to present value.

Subd. 4. [BASIS FOR DETERMINING JUDGMENT TO BE ENTERED.] In order to determine what judgment is to be entered on a verdict requiring special findings under this section, the court shall proceed as follows:

(a) Any applicable rules of law, including setoffs, comparative fault, additurs and remittiturs must be applied to the findings of past and future damages.

(b) The equivalent lump sum value of future damages must be calculated by applying to the future damage award a discount factor equal to the rate of prejudgment interest determined pursuant to section 549.09.

(c) Contingent attorney's fees must be calculated based on the total award and must be allocated proportionately between the present award and the periodic award.

(d) Contingent attorney's fees as calculated under paragraph (c) and litigation expenses must be paid in lump sum or periodically pursuant to an agreement between the plaintiff and the plaintiff's attorney. Contingent attorney's fees allocable to the periodic award but payable in lump sum must be deducted from the amount of future damages awarded.

(e) Any part of future damages allocable to reimbursement of payments previously made by a subrogee must be paid in lump sum upon election by the subrogee. The election must be filed by the subrogee within ten days of the date of entry of the verdict. Amounts payable to subrogees under this section must be deducted from the amount of future damages awarded.

(f) The amount of the periodic award must be determined by the court by deducting the amounts payable under paragraphs (d) and (e) from the amount of future damages awarded by the trier of fact.

(g) In an action for wrongful death, the calculation of all amounts and awards under this section must be based on the total recovery for all beneficiaries of the action.

Subd. 5. [ENTRY OF JUDGMENT.] (a) The court shall enter judgment in lump sum for the present award that includes:

- (1) the amount recoverable by the plaintiff for past damages;*
- (2) contingent attorney's fees as calculated under subdivision 4, paragraph (c); and*
- (3) amounts payable to subrogees under subdivision 4, paragraph (e) if any.*

(b) The court shall enter judgment for the periodic award in accordance with subdivision 6.

Subd. 6. [PAYMENT OF PERIODIC AWARD.] (a) Subject to the provisions of subdivision 7, the schedule of periodic payments may not be adjusted or otherwise modified following final judgment.

(b) Unless the court directs otherwise or the parties otherwise agree, payments must be scheduled at one-month intervals. Payments are due at the beginning of each interval.

(c) Payments must be made in accordance with the special findings required in subdivision 2, paragraphs (c) and (d).

Subd. 7. [EFFECT OF DEATH.] (a) All periodic payments for future damages to the plaintiff cease when the plaintiff dies, subject to the following exceptions:

(1) if the trier of fact awarded future damages for loss of earnings or loss of earnings capacity under subdivision 2, paragraph (a), clause (2), item (ii); and

(2) if the plaintiff is survived by a spouse or a dependent or dependents under age 21, the periodic payment for loss of earnings or earnings capacity shall continue until the death of the spouse or the last dependent reaches the age of 21, whichever is later.

Under no circumstances shall payments continue longer than they would have had the plaintiff not died.

(b) If, in an action for wrongful death, the judgment for the periodic award provides payments to more than one beneficiary, and one or more but fewer than all of them die, the surviving beneficiaries succeed to the shares of the deceased beneficiaries. The

surviving beneficiaries are entitled to shares proportionate to shares in the periodic award not yet paid, but they are not entitled to receive payments beyond the respective periods specified for them in the judgment.

Subd. 8. [FORM OF SECURITY.] (a) Security authorized or required for payment of a judgment for a periodic award entered in accordance with this section must be in one or more of the following forms and approved as to quality by the court:

- (1) a bond executed by a qualified insurer;*
- (2) an annuity contract executed by a qualified insurer;*
- (3) evidence of applicable and collectible liability insurance with one or more qualified insurers;*
- (4) an agreement by one or more qualified insurers to guarantee payment of the judgment; or*
- (5) any other satisfactory form of security.*

(b) Security complying with this section serves also as a required supersedeas bond.

Subd. 9. [POSTING AND MAINTAINING SECURITY.] (a) Each party liable for all or a portion of the judgment shall separately or jointly with one or more others post security in an amount equal to the equivalent lump sum value of the unpaid judgment, including past damages, in a form prescribed in subdivision 8, within 30 days after the date the judgment is subject to enforcement. A liability insurer having a contractual obligation and any other person adjudged to have an obligation to pay all or part of a judgment for periodic payments on behalf of a judgment debtor is obligated to post security to the extent of its contractual or adjudged obligation if the judgment debtor has not done so.

(b) A judgment creditor or successor in interest and any party having rights under this section may move that the court find that security has not been posted and maintained with regard to a judgment obligation owing to the moving party. Upon so finding, the court shall order that security complying with this section be posted within 30 days. If the security is not posted within that time, the court shall calculate the equivalent lump sum value of the obligation and enter a judgment for that amount in favor of the moving party.

(c) If a judgment debtor who is the only person liable for all or a portion of the judgment requiring security under this section fails to post and maintain security, the right to lump sum pay-

ment described in paragraph (b) applies only against that judgment debtor and the portion of the judgment so owed.

Subd. 10. [LIABILITY INSURANCE POLICY LIMITS.]
(a) In determining whether and to what extent a judgment under this section exceeds limits under a liability insurance policy, the total award must be compared to the applicable policy limits.

(b) If the total award does not exceed applicable policy limits when judgment is entered, amounts due by reason of future periodic payments are entirely within those limits.

(c) If the total award exceeds applicable policy limits when the judgment is entered, the future periodic payments must be allocated proportionately to amounts within and amounts in excess of those limits.

Subd. 11. [ASSIGNMENT OF PERIODIC PAYMENTS.]
An assignment of or an agreement to assign a right to periodic payments for future damages contained in a judgment is enforceable only as to amounts:

(1) to secure payment of alimony, maintenance, or child support;

(2) for the costs of products, services, or accommodations provided or to be provided by the assignee for medical or other health care; or

(3) for attorney's fees and other expenses of litigation incurred in securing the judgment.

Subd. 12. [EXEMPTION OF BENEFITS.] *Except to the extent that they may be assigned under subdivision 11, periodic payments for all future damages are exempt from garnishment, attachment, execution, and any other process or claim to the extent that wages or earnings are exempt under any applicable law.*

Subd. 13. [SETTLEMENT AGREEMENTS AND CONSENT JUDGMENTS.] *(a) Parties to an action alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider may file with the clerk of the court in which the action is pending or, if none is pending, with the clerk of a court of competent jurisdiction over the claim, a settlement agreement for future damages payable in periodic payments. The settlement agreement may provide that one or more of the subdivisions in this section apply to it.*

(b) Upon petition of the parties, a court of competent jurisdiction may enter a consent judgment adopting one or more subdivisions in this section.

Subd. 14. [SATISFACTION OF JUDGMENTS.] If security is posted in accordance with subdivision 9 and approved under a final judgment, the judgment is satisfied and the judgment debtor on whose behalf the security is posted is discharged.

Subd. 15. [DUTIES OF COMMISSIONER OF COMMERCE.] The commissioner of commerce shall adopt rules:

(1) for determining which insurers, self-insurers, plans, arrangements, reciprocals, or other entities under the commissioner's regulation are financially qualified to provide the security required under subdivision 9 and to be designated as qualified insurers; and

(2) to require insurers to post security under subdivision 9 if found by the court to be obligated and capable of posting security.

Sec. 8. [145.686] [COLLATERAL SOURCES CALCULATIONS.]

Subdivision 1. [MOTION.] In an action alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider in which liability is admitted or is determined by the trier of fact and damages are awarded to compensate the plaintiff for losses sustained, a party may file a motion within ten days of the date of entry of the verdict requesting determination of collateral sources. If the motion is filed, the parties shall submit written evidence of, and the court shall determine:

(1) amounts of collateral sources that have been paid for the benefit of the plaintiff or are otherwise available to the plaintiff as a result of losses except those for which a subrogation right has been asserted; and

(2) amounts that have been paid, contributed, or forfeited by, or on behalf of, the plaintiff or members of the plaintiff's immediate family for the two-year period immediately preceding the accrual of the action to secure the right to a collateral source benefit that the plaintiff is receiving as a result of losses.

Subd. 2. [DUTIES OF THE COURT.] (a) The court shall reduce the award by the amounts determined under subdivision 1, clause (1), and offset any reduction in the award by the amounts determined under subdivision 1, clause (2).

(b) If the court is unable to determine the amounts specified in paragraph (a) on the basis of the written evidence submitted, the court may within ten days request additional written evidence or schedule a conference with the parties to obtain further evidence.

Subd. 8. [CALCULATION OF ATTORNEY'S FEES.] In the event that the fees for legal services provided to the plaintiff are based on a percentage of the amount of money awarded to the plaintiff, the percentage must be based on the amount of the award as adjusted under subdivision 2.

Sec. 9. Minnesota Statutes 1984, section 541.15, is amended to read:

541.15 [PERIODS OF DISABILITY NOT COUNTED.]

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 *in actions other than actions alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider*, 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) His insanity;
- (3) His imprisonment on a criminal charge, or under a sentence of a criminal court for a term less than his natural life;
- (4) Is an alien and the subject or citizen of a country at war with the United States;
- (5) 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.

For purposes of this section, 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.

Sec. 10. Minnesota Statutes 1984, section 549.09, subdivision 1, is amended to read:

Subdivision 1. [WHEN OWED; RATE.] (a) When the judgment is for the recovery of money, including a judgment for the recovery of taxes, interest from the time of the verdict or report until judgment is finally entered shall be computed by the clerk as provided in clause (c) and added to the judgment. (b) Except as otherwise provided by contract or allowed by law,

pre-verdict or pre-report interest on pecuniary damages shall be computed as provided in clause (c) from the time of the commencement of the action, except as provided herein. If either party serves a written offer of settlement, the other party may serve a written acceptance or a written counter-offer within 60 days. After that time interest on the judgment shall be calculated by the judge in the following manner. The prevailing party shall receive interest on any judgment from the time the action was commenced or as to special damages from the time when special damages were incurred, if later than commencement of the action, until the time of verdict or report only if the amount of its offer is closer to the judgment than the amount of the opposing party's offer. If the amount of the losing party's offer was closer to the judgment than the prevailing party's offer, the prevailing party shall receive interest only on the amount of the settlement offer or the judgment, whichever is less, and only from the time the action was commenced or as to special damages from when the special damages were incurred if later than commencement of the action until the time the settlement offer was made. *For the purposes of clause (3), the amount of settlement offer must be allocated between past and future damages in the same proportion as determined by the trier of fact.* Except as otherwise provided by contract or allowed by law, pre-verdict or pre-report interest shall not be awarded on the following:

(1) judgments, awards, or benefits in workers' compensation cases, but not including third-party actions;

(2) judgments, decrees, or orders in dissolution, annulment, or legal separation actions;

(3) *judgments for future damages in an action alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider. For purposes of this clause, 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;*

(4) punitive damages, fines, or other damages that are non-compensatory in nature;

~~((4))~~ (5) judgments not in excess of the amount specified in section 487.30; and

((5)) (6) that portion of any verdict or report which is founded upon interest, or costs, disbursements, attorney fees, or other similar items added by the court. (c) The interest shall be computed as simple interest per annum. The rate of interest shall be based on the secondary market yield of one year United States treasury bills, calculated on a bank discount basis as provided in this section.

On or before the 20th day of December of each year the state court administrator shall determine the rate from the secondary market yield on one year United States treasury bills for the most recent calendar month, reported on a monthly basis in the latest statistical release of the board of governors of the federal reserve system. This yield, rounded to the nearest one percent, shall be the annual interest rate during the succeeding calendar year; provided, however, that in no event shall the rate of interest be less than eight percent per annum. The state court administrator shall communicate the interest rate to the clerks of court for their use in computing the interest on verdicts.

Sec. 11. Minnesota Statutes 1984, section 549.20, subdivision 1, is amended to read:

Subdivision 1. *Except as provided in subdivision 4, punitive damages shall be allowed in civil actions only upon clear and convincing evidence that the acts of the defendant show a willful indifference to the rights or safety of others.*

Sec. 12. Minnesota Statutes 1984, section 549.20, is amended by adding a subdivision to read:

Subd. 4. No punitive damages shall be allowed in actions alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against health care providers. For purposes of this subdivision 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.

Sec. 13. Minnesota Statutes 1984, section 595.02, is amended by adding a subdivision to read:

Subd. 5. [WAIVER OF PRIVILEGE FOR HEALTH CARE PROVIDERS.] *A party who commences an action for malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider on the person's own behalf or in a representative capacity, waives in that action any privilege existing under subdivision 1, paragraphs (d) and (g) as to any information or opinion in the possession of a health care provider who has examined or cared for the party or other person whose health or medical condition has been placed in controversy in the action. This waiver must permit all parties to the action, and their attorneys or authorized representatives, to informally discuss ex parte the information or opinion with the health care provider if the provider consents. Appropriate medical authorizations permitting discussion must be provided by the party commencing the action upon request from any other party.*

A health care provider may refuse to consent to the ex parte discussion but, in that event, the party seeking the information

or opinion may take the deposition of the health care provider with respect to that information and opinion, without obtaining a prior court order.

For purposes of this subdivision, "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.

Sec. 14. [APPLICATION.]

Sections 3 to 13 apply to all actions commenced on or after the effective date of those sections.

Sec. 15. [EFFECTIVE DATE.]

Section 9 is effective January 1, 1987."

Delete the title and insert:

"A bill for an act relating to commerce; regulating medical malpractice insurance to health care providers who are unable to obtain the coverage in the voluntary market; regulating malpractice actions against health care providers; providing certification of expert review and the waiver of privilege by health care providers; requiring disclosure of experts; revising the statute of limitations for minors; removing punitive damages; limiting noneconomic losses; changing the collateral source rule; and providing periodic payments of damages exceeding a threshold limitation; amending Minnesota Statutes 1984, sections 62F.04, by adding a subdivision; 62F.06, subdivision 1; 541.15; 549.09, subdivision 1; 549.20, subdivision 1, and by adding a subdivision; and 595.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1779, A bill for an act relating to the University of Minnesota; appropriating money for agricultural extension service and experiment station projects.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Appropriations.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1806, A bill for an act relating to credit unions; permitting credit unions to offer self-directed individual retirement accounts; amending Minnesota Statutes 1985 Supplement, section 52.04, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1984, section 48.15, is amended by adding a subdivision to read:

Subd. 4. [RETIREMENT ACCOUNTS.] A state bank may act as trustee or custodian of a self-employed retirement plan under the Federal Self-Employed Individual Tax Retirement Act of 1962, as amended, and of an individual retirement account under the Federal Employee Retirement Income Security Act of 1974, as amended, if the bank's duties as trustee or custodian are essentially ministerial or custodial in nature and the funds are invested only (1) in the bank's own savings or time deposits; or (2) in any other assets at the direction of the customer if the bank does not exercise any investment discretion, invest the funds in collective investment funds administered by it, or provide any investment advice with respect to those account assets.

Affiliated discount brokers may be utilized by the bank acting as trustee or custodian for self-directed IRA's, if specifically authorized and directed in appropriate documents. The relationship between the affiliated broker and the bank must be fully disclosed. Brokerage commissions to be charged to the IRA by the affiliated broker should be accurately disclosed. Provisions should be made for disclosure of any changes in commission rates prior to their becoming effective. The affiliated broker may not provide investment advice to the customer. All funds held in the fiduciary capacity may be commingled by the financial institution in the conduct of its business, but individual records shall be maintained by the fiduciary for each participant and shall show in detail all transactions engaged under authority of this subdivision. The authority granted by this section is in addition to, and not limited by, section 47.75."

Page 6, line 8, after "a" insert "deposit"

Page 6, line 16, after "in" insert "deposit"

Page 6, after line 17, insert:

"Sec. 3. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

Renumber the section

Amend the title as follows:

Page 1, line 2, delete the first "credit unions" and insert "financial institutions" and after "permitting" insert "state banks and"

Page 1, line 4, after "amending" insert "Minnesota Statutes 1984, section 48.15, by adding a subdivision; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1826, A resolution memorializing the governments of the United States and the Socialist Republic of Vietnam to take all possible actions to determine the fate of persons missing in action in Southeast Asia; joining with the families of those who are missing in the hope that their long wait will soon be over.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1841, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1984, sections 8.32, subdivision 2; 10A.01, subdivision 11; 10A.04, subdivision 4a; 16A.631; 47.58, subdivision 5; 62D.22, subdivision 8; 116C.03, subdivision 2; 116J.70, subdivision 2a; 116M.08, subdivision 17; 121.15, subdivision 2; 124.155, subdivision 1; 124A.02, subdivision 14; 136D.74, subdivision 2; 144.224; 176A.01, subdivision 1; 179A.10, subdivision 3; 253B.02, subdivision 4a; 260.015, subdivision 24; 260.245; 327C.07, subdivision 3a; 349.214, subdivision 2; 383A.-23, subdivision 5; 385.24; 403.12, subdivision 1; 414.061, subdivisions 4 and 4a; 462A.21, subdivision 8a; 494.03; 518B.01, subdivision 2; 571.495, subdivision 2; 590.01, subdivision 1; 609.346, subdivision 3; 609.347, subdivision 3; 609.348; 609.35; 611A.03, subdivision 3; 628.26; Minnesota Statutes 1985 Sup-

plement, sections 47.20, subdivision 6c; 64B.05, subdivision 1; 64B.37, subdivision 2; 69.011, subdivision 1; 97.50, subdivision 1; 116M.03, subdivision 28; 124.32, subdivision 1d; 145.917, subdivision 4; 147.01, subdivision 4; 147.073, subdivision 1; 168.27, subdivision 11; 248.07, subdivision 7; 256B.091, subdivision 4; 256D.37, subdivision 1; 256F.05, subdivision 4; 256F.06, subdivision 1; 273.124, subdivision 5; 297C.03, subdivision 1; 298.02, subdivision 1; 340A.702; 356.216; 358.44; 414.061, subdivision 5; 458.16, subdivision 6; 473.831, subdivision 1; 527.41; 527.42; 527.43; 528.15; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.3471; 626.556, subdivision 2; 631.045; proposing coding for new law in Minnesota Statutes, chapter 206; repealing Minnesota Statutes 1984, section 35.067; 383A.23, subdivisions 2, 3, and 4; 403.12, subdivisions 2 and 3; Laws 1984, chapter 560, section 24; Laws 1985, chapters 248, sections 28 and 29; 252, section 24; Laws 1985, First Special Session: chapters 9, article 2, section 89; 14, article 3, section 13; 14, article 4, sections 37 and 91.

Reported the same back with the following amendments:

Page 29 of the text of the bill, line 33, after the period insert:

“Sec. 39. Minnesota Statutes 1985 Supplement, section 340A.404, subdivision 5, is amended to read:

Subd. 5. [WINE LICENSES.] A municipality may issue an on-sale wine license with the approval of the commissioner to a restaurant having facilities for seating at least 25 guests at one time. A wine license permits the sale of wine of up to 14 percent alcohol by volume for consumption with the sale of food. *A wine license authorizes the sale of wine on all days of the week unless the issuing authority restricts the license's authorization to the sale of wine on all days except Sundays.*

Sec. 40. Minnesota Statutes 1985 Supplement, section 340A.-409, subdivision 1, is amended to read:

Subdivision 1. [INSURANCE REQUIRED.] No retail license may be issued, maintained or renewed unless the applicant demonstrates proof of financial responsibility with regard to liability imposed by section 340A.801. The issuing authority must submit to the commissioner the applicant's proof of financial responsibility. This subdivision does not prohibit a local unit of government from requiring higher insurance or bond coverages, or a larger deposit of cash or securities. The minimum requirement for proof of financial responsibility may be given by filing:

(1) a certificate that there is in effect for the license period an insurance policy or pool providing at least \$50,000 of coverage because of bodily injury to any one person in any one occurrence,

\$100,000 because of bodily injury to two or more persons in any one occurrence, \$10,000 because of injury to or destruction of property of others in any one occurrence, \$50,000 for loss of means of support of any one person in any one occurrence, and \$100,000 for loss of means of support of two or more persons in any one occurrence (. AN ANNUAL AGGREGATE POLICY LIMIT FOR DRAMSHOP LIABILITY OF NOT LESS THAN \$300,000 PER POLICY YEAR MAY BE INCLUDED IN THE POLICY PROVISIONS);

(2) a bond of a surety company with minimum coverages as provided in clause (1); or

(3) a certificate of the state treasurer that the licensee has deposited with the state treasurer \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000 (;).

((4)) This subdivision does not prohibit an insurer from providing the coverage required by this subdivision in combination with other insurance coverage.

An annual aggregate policy limit for dram shop insurance of not less than \$300,000 per policy year may be included in the policy provisions.

A liability insurance policy required by this section must provide that it may not be canceled for any cause by either the insured or the insurer unless the canceling party has first given ten days' notice in writing to the issuing authority of intent to cancel the policy.

Sec. 41. Minnesota Statutes 1985 Supplement, section 340A.410, is amended by adding a subdivision to read:

Subd. 8. [COPY OF SUMMONS.] Every application for the issuance or renewal of intoxicating or nonintoxicating liquor licenses must include a copy of each summons received by the applicant under section 340A.802 during the preceding year.

Sec. 42. Minnesota Statutes 1985 Supplement, section 340A.412, subdivision 1, is amended to read:

Subdivision 1. [BOND REQUIRED.] A local unit of government shall not grant a retail license to sell intoxicating liquor until the applicant has filed a bond with corporate surety, or cash, or United States government bonds in the amount of not less than \$3,000 nor more than \$5,000 for on-sale licenses, and not less than \$1,000 nor more than \$3,000 for off-sale licenses. A common carrier who applies for a license to sell intoxicating liquor under section 340A.407, must file with the commissioner a bond with corporate surety, or cash, or govern-

ment bonds in the sum of \$1,000. A bond filed under this subdivision must be conditional on the licensee obeying all laws governing the business and paying all taxes, fees, penalties, and other charges, and must provide that the bond is forfeited to the unit of government issuing the license on a violation of law. The commissioner must approve all bonds filed by applicants for an off-sale license.

(EVERY APPLICATION FOR THE ISSUANCE OR RENEWAL OF A LICENSE FOR THE SALE OF INTOXICATING OR NONINTOXICATING LIQUOR MUST INCLUDE A COPY OF EACH SUMMONS RECEIVED BY THE APPLICANT UNDER SECTION 340A.802 DURING THE PRECEDING YEAR.)

Sec. 43. Minnesota Statutes 1985 Supplement, section 340A.412, subdivision 9, is amended to read:

Subd. 9. [LICENSE TRANSFER.] A license may be transferred with the consent of the issuing authority, provided that a license (IS) issued to a location at a racetrack licensed under chapter 240 may not be transferred. Where a license is held by a corporation, a change in ownership of ten percent or more of the stock of the corporation must be reported in writing to the authority who issued the license within ten days of the transfer.

Sec. 44. Minnesota Statutes 1985 Supplement, section 340A.415, is amended to read:

340A.415 [LICENSE REVOCATION OR SUSPENSION.]

The authority issuing or approving any retail license or permit under this chapter shall either suspend for up to 60 days or revoke the license or permit or impose a civil fine not to exceed \$2,000 for each violation on a finding that the license or permit holder has failed to comply with an applicable statute, regulation, or ordinance relating to alcoholic beverages. No suspension or revocation takes effect until the license or permit holder has been afforded an opportunity for a hearing under (CHAPTER 14) sections 14.57 to 14.70 of the administrative procedure act.

Sec. 45. [340A.510] [WINE SAMPLES.]

Off-sale licenses and municipal liquor stores may provide samples of wine, liqueurs, and cordials which the licensee or municipal liquor store currently has in stock and is offering for sale to the general public without obtaining an additional license, provided the wine, liqueur, and cordial samples are dispensed at no charge and consumed on the licensed premises during the permitted hours of off-sale in a quantity less than 50 milliliters

of wine per variety per customer and 25 milliliters of liqueur or cordial per variety per customer.

Sec. 46. Minnesota Statutes 1985 Supplement, section 340A.-802, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF INJURY.] A person who claims damages and a person or insurer who claims contribution or indemnity from a licensed retailer of alcoholic beverages or municipal liquor store for or because of an injury within the scope of section 340A.801 must give a written notice to the licensee or municipality stating:

- (1) the time and date when and person to whom the (LIQUOR WAS) *alcoholic beverages were* sold or bartered;
- (2) the name and address of the person or persons who were injured or whose property was damaged; and
- (3) the approximate time and date, and the place where the injury to person or property occurred.

A licensee or municipality who claims contribution or indemnification from another licensee or municipality must give a written notice to the other licensee or municipality in the form and manner specified in this section.

An error or omission in the notice does not void the notice's effect if the notice is otherwise valid unless the error or omission is of a substantially material nature."

Renumber the remaining sections in order

Page 7 of the memorandum of information, line 17, after the period insert:

"Sec. 39. *Explanation.* This section adds a sentence to the wine license law which was inadvertently omitted from the recodification law. The provision, allowing restaurants with wine licenses to sell wine on Sunday without a Sunday license unless the Sunday license is required by a local ordinance, is taken from the now repealed section 340.11, subdivision 20, clause (c).

Sec. 40. *Explanation.* This section makes three corrections:

(a) The language on annual aggregate limits for dram shop insurance policies is moved, without change, to a more appropriate place in the subdivision.

(b) An unnecessary numbering of a paragraph is deleted.

(c) The provision in prior law, section 340.12, requiring ten days' notice of intent to cancel a dram shop insurance policy, which was inadvertently not included in the recodification law, is restored.

Sec. 41. and Sec. 42. *Explanation.* These sections transfer, without change, the law requiring retail license applications to include copies of dram shop summonses for the previous year. The codification in Minnesota Statutes 1985 Supplement placed this provision in an inappropriate location.

Sec. 43. *Explanation.* This section deletes a superfluous word.

Sec. 44. *Explanation.* This section corrects the reference to the contested case sections of the administrative procedures act in the law governing suspension and revocation of retail licenses. The correction would make the reference identical to the reference to contested case sections now found in the law governing suspension and revocation of wholesale licenses. This change would make both references identical to the comparable reference in prior law, section 340.135.

This change has substantive implications. In *Hymanson v. City of St. Paul*, 329 N.W. 2d 324, the Minnesota supreme court ruled that the prior law's reference only to sections 14.57 to 14.70 of the administrative procedure act, rather than to the act as a whole, meant that a municipality granting a hearing on a liquor license revocation does not have to appoint a hearing examiner to conduct the proceedings.

Sec. 45. *Explanation.* This section restores a provision in prior law, section 340.11, subdivision 15, which was inadvertently omitted in the recodification. The provision allows off-sale liquor stores to offer wine samples.

Sec. 46. *Explanation.* This section removes in the dram shop notice law, an archaic reference to "liquor" and substitutes a reference to "alcoholic beverages." This change makes the reference consistent with the dram shop act, which has since 1982 covered all alcoholic beverages."

Renumber the remaining sections in order

Amend the title as follows:

Page 1, line 32, after "subdivision 1;" insert "340A.404, subdivision 5; 340A.409, subdivision 1; 340A.410, by adding a subdivision; 340A.412, subdivisions 1 and 9; 340A.415;"

Page 1, line 32, after "340A.702;" insert "340A.802, subdivision 1;"

Page 1, line 38, delete "chapter 206" and insert "chapters 206 and 340A"

Page 1, line 43, delete the colon

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1870, A bill for an act relating to veterans; providing for free motor vehicle license plates for former prisoners of war; amending Minnesota Statutes 1984, section 168.125.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1871, A bill for an act relating to veterans; clarifying certain terms; providing for payment of compensation to certain patients and residents of state institutions; amending Minnesota Statutes 1984, section 246.151; and Minnesota Statutes 1985 Supplement, section 136C.13, subdivision 4.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1897, A bill for an act relating to commerce; motor fuel franchises; extending the temporary prohibition on certain building alterations that eliminate service bays; amending Laws 1984, chapter 444, section 4.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1035, 1224, 1806, 1826, 1841, 1871 and 1897 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced :

Levi and McPherson introduced :

H. F. No. 1911, A bill for an act relating to natural resources; authorizing watershed management organizations to establish taxing districts within minor watershed units of watersheds; amending Minnesota Statutes 1984, section 473.883, subdivisions 2, 3, 6, and 7; Minnesota Statutes 1985 Supplement, section 473.882, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Frederickson, Valento, Johnson, McEachern and Anderson, G., introduced :

H. F. No. 1912, A bill for an act relating to public administration; providing for various town powers; permitting certain sales of public property; providing conditions for contractor's bonds; amending Minnesota Statutes 1984, sections 366.01, subdivision 1; 367.05, subdivision 1; 367.31, subdivision 4; 471.64, subdivision 1; and 624.44; and Minnesota Statutes 1985 Supplement, sections 365.10; and 574.26.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Seaberg introduced :

H. F. No. 1913, A bill for an act relating to appropriations; allowing appropriation to department of public safety for fingerprint identification network to be available for second year of biennium; amending Laws 1985, first special session chapter 13, section 53.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Clark introduced :

H. F. No. 1914, A bill for an act relating to cemeteries; changing procedures for dealing with certain burial sites; increasing a penalty; amending Minnesota Statutes 1984, section 307.08.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Waltman introduced :

H. F. No. 1915, A bill for an act relating to state government; clarifying the definition of "rule" in the administrative procedure act; assigning additional duties to the legislative commission to review administrative rules; amending Minnesota Statutes 1985 Supplement, sections 14.02, subdivision 4; and 14.40.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Voss, Kvam and Brinkman introduced :

H. F. No. 1916, A bill for an act relating to insurance; requiring notification to the issuing insurer when replacing a life insurance policy; amending Minnesota Statutes 1984, section 72A.20, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Begich and Battaglia introduced :

H. F. No. 1917, A bill for an act relating to retirement; authorizing benefit increases for retired Eveleth police officers, firefighters, and surviving spouses.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Nelson, D., and Rose introduced :

H. F. No. 1918, A bill for an act relating to health; providing that mosquito research and management activities are not ecologically disruptive; amending Minnesota Statutes 1985 Supplement, section 144.95, subdivisions 1, 2, 3, 7, 9, and 10.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Levi, Haukoos, Erickson and Backlund introduced :

H. F. No. 1919, A bill for an act relating to education ; imposing a limit on participation in and making other modifications to the post-secondary enrollment options program ; modifying the time-lines for placing teachers on unrequested leaves of absence ; amending Minnesota Statutes 1984, section 125.12, subdivisions 4, 6b, 9, 10, and by adding a subdivision ; Minnesota Statutes 1985 Supplement, section 123.3514, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Education.

Simoneau, Quinn, Voss and Backlund introduced :

H. F. No. 1920, A bill for an act relating to appropriations ; designating Anoka county as an operating agency in the administration and expenditure of an appropriation for the Mississippi Regional Park.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Pappas introduced :

H. F. No. 1921, A bill for an act relating to housing ; authorizing the Minnesota housing finance agency to make grants to municipalities for the provision of housing for very low income persons ; appropriating money ; proposing coding for new law in Minnesota Statutes, chapter 462A.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Ogren, Solberg, Quinn, Simoneau and Osthoff introduced :

H. F. No. 1922, A bill for an act relating to taxation ; property ; providing a state paid small business property tax credit ; amending Minnesota Statutes 1985 Supplement, sections 273.13, subdivision 15a ; 273.1392 ; and 276.04 ; proposing coding for new law in Minnesota Statutes, chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Uphus; Tunheim; Olson, E., and Omann introduced :

H. F. No. 1923, A bill for an act relating to utilities; abolishing electric service extension exemption for certain utility customers; amending Minnesota Statutes 1984, sections 216B.40; and 216B.43; repealing Minnesota Statutes 1984, section 216B.42, subdivision 1.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Anderson, R., introduced :

H. F. No. 1924, A bill for an act relating to retirement; extending increased survivor benefits to surviving spouses of certain public employees; amending Minnesota Statutes 1985 Supplement, section 356.70, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Gruenes, Piepho, Osthoff, Schafer and Sherman introduced :

H. F. No. 1925, A bill for an act relating to education; permitting pupils of nonpublic schools to use the post-secondary enrollment options act; appropriating money; amending Minnesota Statutes 1985 Supplement, section 123.3514.

The bill was read for the first time and referred to the Committee on Education.

Knickerbocker, Simoneau, Sviggum, Vellenga and Gutknecht introduced :

H. F. No. 1926, A bill for an act relating to state investments; establishing various accounts within the supplemental investment fund; providing for the administration of the accounts and for the investment and valuation of shares within each account; amending Minnesota Statutes 1984, sections 11A.17, subdivisions 1, 4, 9, and by adding a subdivision; 69.77, subdivision 2; 69.775; 352.96, subdivision 4; 352D.04, subdivision 1; Minnesota Statutes 1985 Supplement, section 11A.17, subdivision 13; and Laws 1969, chapter 950, section 3, as amended.

The bill was read for the first time and referred to the Committee on Governmental Operations.

McKasy introduced:

H. F. No. 1927, A bill for an act relating to taxation; increasing the maximum income tax credit for political contributions; amending Minnesota Statutes 1984, section 10A.32, subdivision 3b; Minnesota Statutes 1985 Supplement, section 290.06, subdivision 11.

The bill was read for the first time and referred to the Committee on Taxes.

McPherson, Gruenes, Richter and Vellenga introduced:

H. F. No. 1928, A bill for an act relating to education; placing the state council on vocational education director in the unclassified service; amending Minnesota Statutes 1985 Supplement, section 136C.50, subdivision 7.

The bill was read for the first time and referred to the Committee on Education.

Battaglia introduced:

H. F. No. 1929, A bill for an act relating to school districts; changing the qualifying percentage of agricultural valuation for minimum aid from 60 to 50; amending Minnesota Statutes 1985 Supplement, section 124A.02, subdivision 12.

The bill was read for the first time and referred to the Committee on Education.

Carlson, D.; Sarna; Anderson, G.; Valan and Johnson introduced:

H. F. No. 1930, A bill for an act relating to public safety; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 299D.

The bill was read for the first time and referred to the Committee on Transportation.

Lieder introduced :

H. F. No. 1931, A bill for an act relating to the city of East Grand Forks; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Gruenes introduced :

H. F. No. 1932, A bill for an act relating to human services; modifying the preadmission screening program; establishing requirements for medical assistance rate appeals procedures for intermediate care facilities; amending Minnesota Statutes 1985 Supplement, sections 256B.091, subdivisions 2, 4, 5, and 8; and 256B.501, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

McLaughlin introduced :

H. F. No. 1933, A bill for an act relating to insurance; prohibiting discrimination in auto insurance based upon marital dissolution; amending Minnesota Statutes 1984, section 65B.13; and proposing coding for new law in Minnesota Statutes, chapter 65B.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

McLaughlin introduced :

H. F. No. 1934, A bill for an act relating to insurance; requiring adjustment of deductibles during the initial period of health insurance coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

McLaughlin introduced:

H. F. No. 1935, A bill for an act relating to insurance; providing flexibility in the amount of coverages other than for the dwelling under a homeowner's policy; proposing coding for new law in Minnesota Statutes, chapter 65A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Segal introduced:

H. F. No. 1936, A bill for an act relating to school districts; requiring a health awareness policy and program; proposing coding for new law in Minnesota Statutes, chapter 126.

The bill was read for the first time and referred to the Committee on Education.

Waltman introduced:

H. F. No. 1937, A bill for an act relating to state government; rejecting legislative salary increases; eliminating the compensation council; amending Laws 1985, First Special Session chapter 13, section 52, subdivision 2; repealing Minnesota Statutes 1984, section 15A.082.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Waltman, Ozment, Wenzel and Kiffmeyer introduced:

H. F. No. 1938, A bill for an act relating to education; providing equity revenue to raise foundation and tier revenue in all school districts to state average; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124A.

The bill was read for the first time and referred to the Committee on Education.

Vanasek introduced:

H. F. No. 1939, A bill for an act relating to transportation; authorizing transportation to nonpublic schools outside school district boundary within certain limits; amending Minnesota Statutes 1984, section 123.78, subdivision 1a.

The bill was read for the first time and referred to the Committee on Transportation.

Gruenes introduced:

H. F. No. 1940, A bill for an act relating to health; providing for county registrars of vital statistics; amending Minnesota Statutes 1984, section 144.214, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Carlson, L.; Munger; Johnson; Dyke and Redalen introduced:

H. F. No. 1941, A bill for an act relating to the University of Minnesota; appropriating money for agricultural extension service and experiment station projects.

The bill was read for the first time and referred to the Committee on Education.

Heap introduced:

H. F. No. 1942, A bill for an act relating to transportation; public transit; increasing the training requirement for drivers in the special transportation service program; requiring that special transportation service drivers hold a class A or B driver's license; amending Minnesota Statutes 1984, section 174.30, subdivision 2, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Heap introduced :

H. F. No. 1943, A bill for an act relating to insurance; health and accident; excluding certain nursing home policies from regulation as a form of medicare supplement insurance; amending Minnesota Statutes 1984, section 62A.31, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Clark and Greenfield introduced :

H. F. No. 1944, A bill for an act relating to the city of Minneapolis; providing that certain positions be appointed in the unclassified service; amending Laws 1969, chapter 937, section 1, subdivisions 9, as amended, 11 and 15, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Heap introduced :

H. F. No. 1945, A bill for an act relating to military affairs; authorizing the department of military affairs to purchase certain insurance; amending Minnesota Statutes 1984, section 15.38, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Dimler; Olsen, S.; DenOuden; Kostohryz and Ozment introduced :

H. F. No. 1946, A bill for an act relating to veterans affairs; providing for use of departmental resources by certain organizations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 196.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Olsen, S., and Valento introduced:

H. F. No. 1947, A bill for an act relating to solid waste; prohibiting the pollution control agency from issuing solid waste processing permits to certain facilities; amending Minnesota Statutes 1984, section 116.07, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Gruenes and Piepho introduced:

H. F. No. 1948, A bill for an act relating to education; post-secondary enrollment options act; excluding payments for course for which post-secondary credit is taken; amending Minnesota Statutes 1985 Supplement, section 123.3514, subdivision 10.

The bill was read for the first time and referred to the Committee on Education.

Gruenes, Bishop, Ellingson and Dempsey introduced:

H. F. No. 1949, A bill for an act relating to courts; allowing a person 20 days to remove a cause from conciliation court; allowing service by mail when a cause is removed to county court; amending Minnesota Statutes 1984, section 487.30, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

Halberg, McKasy, Bishop, Dempsey and Vanasek introduced:

H. F. No. 1950, A bill for an act relating to local government; providing immunity to municipalities for certain claims that occur as a result of the use of parks and recreation areas; amending Minnesota Statutes 1984, section 466.03, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Sviggum, Onnen, Gruenes, Vellenga and Jennings, L., introduced:

H. F. No. 1951, A bill for an act relating to human services; revising the community social services act; clarifying allocation of funds; expanding responsibilities of county boards; requiring the county boards to publish biennial plans relating to community social services; amending Minnesota Statutes 1984, sections 256E.05, subdivision 3; 256E.06, subdivision 2; 256E.09, subdivision 1; and Minnesota Statutes 1985 Supplement, section 256E.08, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Haukoos; Ozment; DenOuden; Carlson, J., and Jennings, L., introduced:

H. F. No. 1952, A bill for an act relating to education; vocational; specifying use of appropriation for firefighter training programs in AVTI's; amending Laws 1985, First Special Session chapter 11, section 4, subdivision 3.

The bill was read for the first time and referred to the Committee on Education.

Gruenes, Tjornhom, Boo, Wynia and Onnen introduced:

H. F. No. 1953, A bill for an act relating to insurance; accident and health; regulating long-term care policies; requiring coverage for home health care and care in skilled or intermediate nursing facilities; amending Minnesota Statutes 1984, section 62A.31; proposing coding for new law in Minnesota Statutes, chapter 62A.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Jaros, McLaughlin, Rest, Brown and Piper introduced:

H. F. No. 1954, A resolution memorializing the President and Congress of the United States to include the provision of dental care, hearing aids, and eye glasses under Medicare.

The bill was read for the first time and referred to the Committee on Health and Human Services.

McKasy, Halberg and Brandl introduced:

H. F. No. 1955, A bill for an act relating to taxation; income; changing the deduction for corporate contributions to foundations; amending Minnesota Statutes 1984, sections 237.075, subdivision 8; and 290.21, subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

Boo and Wynia introduced:

H. F. No. 1956, A bill for an act relating to financial institutions; providing for open end loan account arrangements; modifying permissible finance charges and annual charges; eliminating alternative credit card plan requirements; amending Minnesota Statutes 1984, section 48.185, subdivisions 1, 3, and 4; repealing Minnesota Statutes 1984, section 48.185, subdivision 4a.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Tompkins, Blatz, Quinn, Seaberg and Knuth introduced:

H. F. No. 1957, A bill for an act relating to marriage; setting out the requirements and effect of premarital agreements; enacting the Uniform Premarital Agreement Act; amending Minnesota Statutes 1985 Supplement, section 524.2-204; proposing coding for new law in Minnesota Statutes, chapter 519; repealing Minnesota Statutes 1984, section 519.11.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Kelly, Cohen and Vellenga introduced:

H. F. No. 1958, A bill for an act relating to crime victims; providing increased protections and rights to victims of crime; increasing the criminal witness fee; providing new procedures for enforcing restitution orders; establishing local victim-witness assistance programs; making a variety of changes to the crime victims reparations act; increasing the membership of the crime victim and witness advisory council; amending Minnesota Statutes 1984, sections 357.22; 357.24; 609.115, subdivision 1c;

609.135, by adding a subdivision; 611A.03, subdivision 1; 611A.04, subdivision 2; 611A.06; 611A.53, subdivision 1, and by adding a subdivision; and 611A.61; and Minnesota Statutes 1985 Supplement, sections 609.101; 611A.52; 611A.53, subdivision 2; 611A.54; 611A.56, subdivision 1; 611A.71, subdivisions 1 and 2; 631.046; and 631.07; proposing coding for new law in Minnesota Statutes, chapters 43A and 611A.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Schafer, Sviggum, McEachern and Solberg introduced:

H. F. No. 1959, A bill for an act relating to education; making certain changes in the post-secondary enrollment options act; requiring certification that pupils are academically prepared for enrollment; providing limitations on granting credit for certain courses; authorizing secondary schools to grant transferable post-secondary credits; authorizing tuition reimbursement for courses taken for secondary credit only; authorizing certain charges for courses taken for post-secondary credit; limiting school district liability for student participation in this program; establishing an aid for test fees; appropriating money; amending Minnesota Statutes 1985 Supplement, section 123.3514, subdivisions 4, 5, 6, 7, 8, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Education.

Dempsey and Piepho introduced:

H. F. No. 1960, A bill for an act relating to data privacy; providing for the classification of data in certain adoption reports; amending Minnesota Statutes 1984, section 259.27, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Thiede, Schafer, Thorson and Kalis introduced:

H. F. No. 1961, A bill for an act relating to education; providing for the appointment of the commissioner of education by the state board of education; amending Minnesota Statutes 1984, section 121.16.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Halberg, McKasy, Backlund, Quinn and Otis introduced:

H. F. No. 1962, A bill for an act relating to costs and attorney fees; providing for recovery of costs and attorney fees by prevailing parties in civil actions and contested case proceedings involving the state; amending Minnesota Statutes 1984, section 14.62, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time and referred to the Committee on Judiciary.

Skoglund, Brandl, Greenfield, Jaros and McLaughlin introduced:

H. F. No. 1963, A bill for an act relating to metropolitan government; providing for the composition of the metropolitan airports commission; amending Minnesota Statutes 1984, section 473.604; and Minnesota Statutes 1985 Supplement, section 473.605, subdivision 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Nelson, K.; Rest; Price; Rodosovich and Beard introduced:

H. F. No. 1964, A bill for an act relating to consumer protection; regulating the labeling, advertising, and distribution of smokeless tobacco products; amending Minnesota Statutes 1984, section 609.685, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Nelson, K.; Rest; Price; Beard and Brown introduced:

H. F. No. 1965, A bill for an act relating to utilities; providing residential telephone customers protection from unwanted commercial telephone solicitation; requiring rulemaking by the public utilities commission; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 237.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Bishop and Voss introduced:

H. F. No. 1966, A bill for an act relating to the attorney general; authorizing an increase in the number of assistant attorneys general; amending Minnesota Statutes 1984, section 8.02.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Skoglund, Wynia, Forsythe, Rose and Jaros introduced:

H. F. No. 1967, A bill for an act relating to traffic regulations; requiring motor vehicle operators to use child passenger restraint system when transporting child under the age of four; assessing court costs to violator under certain conditions; imposing penalty; amending Minnesota Statutes 1984, section 169.685, subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Rose; Backlund; Nelson, D.; Munger and McKasy introduced:

H. F. No. 1968, A bill for an act relating to environment; providing for the selection of locations for and developers of hazardous waste stabilization and containment facilities; amending Minnesota Statutes 1984, sections 115A.03, subdivision 1, and by adding subdivisions; 115A.05, subdivision 2, and by adding a subdivision; 115A.13; 115A.14, subdivision 6; 115A.22, subdivision 4; 400.11; Minnesota Statutes 1985 Supplement, sections 115A.81, subdivision 2; 275.50, subdivision 5; 477A.012; proposing coding for new law in Minnesota Statutes, chapters 115A and 400; repealing Minnesota Statutes 1984, sections 115A.17; and 400.10; Minnesota Statutes 1985 Supplement, section 473.811, subdivision 11.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Boerboom, Sparby, Dempsey and Knickerbocker introduced:

H. F. No. 1969, A bill for an act relating to mediation; providing for mediation between debtors and creditors; authorizing mediator training grants to nonprofit regional alternative dispute resolution centers; amending Minnesota Statutes 1984, sections 480.24, by adding a subdivision; and 480.242, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 572.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Ozment introduced:

H. F. No. 1970, A bill for an act relating to state lands; prescribing appraisal for conveyance of surplus state land in Dakota county to city of Hastings; amending Laws 1985, chapter 61, section 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Frerichs, Sherman and Ellingson introduced:

H. F. No. 1971, A resolution memorializing the President and Congress of the United States to enact the Mississippi River National Heritage Corridor Act of 1986.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Dyke, Kelly, Knickerbocker, Vellenga and Sviggum introduced:

H. F. No. 1972, A bill for an act relating to state government; proposing amendments to the Minnesota Constitution, article V, sections 1, 3, and 4; article VIII, section 2; article XI, sections 7 and 8; abolishing the office of state treasurer; transferring or repealing the powers, responsibilities, and duties of the state treasurer; amending Minnesota Statutes 1984, sections 9.011, subdivision 1; 11A.03; and 16A.27, subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Heap and Hartinger introduced:

H. F. No. 1973, A bill for an act relating to vocational education; providing for cooperation among AVTIs; proposing coding for new law in Minnesota Statutes, chapter 136C.

The bill was read for the first time and referred to the Committee on Education.

Dimler; Sparby; Olsen, S., and Knickerbocker introduced:

H. F. No. 1974, A bill for an act relating to commerce; establishing a computerized county filing system; assessing a surcharge on certain documents filed; amending Minnesota Statutes 1984, sections 336.9-403; 336.9-404; 336.9-405; 336.9-406; and 336.9-407; proposing coding for new law in Minnesota Statutes, chapter 5.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Poppenhagen; Carlson, J., and Gutknecht introduced:

H. F. No. 1975, A bill for an act relating to workers' compensation; prohibiting use of certain benefits in calculating employer's insurance rating plan; expanding premium base; restricting liability for out-of-state injuries; eliminating minimum compensation in case of no permanent disability; assessing management fee from state compensation insurance fund to special compensation fund; authorizing use of the management fee; establishing program for administrative conferences throughout the state; postponing initial adjustment of benefits for temporary total and temporary partial disabilities; amending Minnesota Statutes 1984, sections 79.53, by adding a subdivision; 176.041, subdivision 3, and by adding a subdivision; 176.129, by adding a subdivision; 176.242, by adding a subdivision; 176.645, subdivision 2; 176A.08; Minnesota Statutes 1985 Supplement, section 176.101, subdivision 3t; repealing Minnesota Statutes 1984, section 79.211, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Gruenes; Stanius; Carlson, L.; Anderson, R., and Vellenga introduced:

H. F. No. 1976, A bill for an act relating to health; establishing a catastrophic health expense protection program for children; appropriating money; amending Minnesota Statutes 1984, section 62E.04, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 62E; repealing Minnesota Statutes 1984, sections 62E.51 to 62E.55.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Waltman, Sviggum, Johnson and Thiede introduced:

H. F. No. 1977, A bill for an act relating to workers' compensation; making the three-day waiting period nonreimbursable; eliminating supplemental benefits for new claims; amending Minnesota Statutes 1984, sections 176.121; and 176.132, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Kiffmeyer introduced:

H. F. No. 1978, A bill for an act relating to crimes; limiting when felony charges brought for depriving another of custodial or parental rights may be dismissed; amending Minnesota Statutes 1984, section 609.26, subdivision 5.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Johnson, Miller, Kalis, Levi and Knickerbocker introduced:

H. F. No. 1979, A bill for an act relating to state government; regulating fees for state agency services; amending Minnesota Statutes 1985 Supplement, sections 16A.128 and 16A.1281.

The bill was read for the first time and referred to the Committee on Governmental Operations.

McDonald, Jaros and Thorson introduced:

H. F. No. 1980, A bill for an act relating to state government; authorizing the Indian affairs council to accept grants and gifts; amending Minnesota Statutes 1984, section 3.922, subdivision 5.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Schreiber, Minne, Tjornhom, Jacobs and Bennett introduced:

H. F. No. 1981, A bill for an act relating to liquor; regulating the extension of credit to retail licensees; proposing coding for new law in Minnesota Statutes, chapter 340A.

The bill was read for the first time and referred to the Committee on Taxes.

Himle; Seaberg; Jacobs; Jennings, D., and Bennett introduced:

H. F. No. 1982, A bill for an act relating to liquor; prohibiting joint purchases by retailers; removing limitations on volume discounts by wholesalers, and suggested retail prices; authorizing combination purchases; amending Minnesota Statutes 1985 Supplement, section 340A.312, subdivision 1; repealing Minnesota Statutes 1985 Supplement, sections 340A.312, subdivision 2, and 340A.314.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Johnson introduced:

H. F. No. 1983, A bill for an act relating to taxation; gasoline; clarifying the transactions for which a distributor credit or rebate is allowed; amending Minnesota Statutes 1984, sections 296.14, subdivision 2; and 296.18, subdivision 3a.

The bill was read for the first time and referred to the Committee on Transportation.

Marsh, Bennett and Krueger introduced:

H. F. No. 1984, A bill for an act relating to commerce; regulating securities; regulating the assignment of certain real property loans and the administration of certain escrow accounts; providing certain exemptions; regulating real estate brokers and salespersons; modifying re-examination requirements; providing trust account requirements for licensees acting as principals; granting certain enforcement powers to the commissioner; providing certain remedies; amending Minnesota Statutes 1984, sections 47.20, subdivision 9; 80A.14, subdivision 18; 80A.15, subdivision 1; 82.17, subdivision 4; 82.22, subdivisions 3, 6, and 13; 82.24, subdivision 2; 82.26; 82.27, subdivision 1; 82.33, subdivision 2; and Minnesota Statutes 1985 Supplement, section 80A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 47.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Dyke, Kiffmeyer, McDonald and Boerboom introduced:

H. F. No. 1985, A bill for an act relating to agriculture; reallocating certain wage subsidy money; amending Minnesota Statutes 1985 Supplement, sections 268.6751, subdivision 1; and 268.676, subdivision 1.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Redalen, Sparby, McDonald, Kiffmeyer and Schafer introduced:

H. F. No. 1986, A bill for an act relating to agriculture; changing certain income tax provisions; amending Minnesota Statutes 1984, sections 41.57, by adding a subdivision; 290.08, by adding subdivisions; 290.09, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 290.01, subdivisions 20a and 20b; and 290.491.

The bill was read for the first time and referred to the Committee on Taxes.

McDonald, Frederickson, Ozment, McPherson and Erickson introduced:

H. F. No. 1987, A bill for an act relating to agriculture; providing an alternative property tax payment date for certain agricultural property; amending Minnesota Statutes 1984, section 279.01, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

McDonald, Redalen, Frederick and Kiffmeyer introduced:

H. F. No. 1988, A bill for an act relating to agriculture; providing for "buy-down" of interest rates on certain farm loans; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time and referred to the Committee on Appropriations.

McDonald, Frederick and Valan introduced:

H. F. No. 1989, A bill for an act relating to agriculture; establishing a family farm advocate program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Valento and Olsen, S., introduced:

H. F. No. 1990, A bill for an act relating to local government; authorizing home rule charter or statutory cities to establish economic development districts; granting powers to authorities; amending Minnesota Statutes 1984, sections 116D.04, subdivision 1a; 117.521, subdivision 3; 272.01, subdivision 2; 273.72; 273.73, subdivisions 2 and 8; 273.86, subdivision 1; 355.11, subdivision 5; 462C.02, subdivisions 6 and 9; 465.74, subdivision 7; 471.88, subdivisions 1, 9, and 11; 474.02, subdivision 3; and 474.16, subdivision 2; Minnesota Statutes 1985 Supplement, sections 273.75, subdivision 4; 353.01, subdivision 2a; 462C.12, subdivision 2; and 472B.04; proposing coding for new law as Minnesota Statutes, chapter 458C.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Stanis and Valento introduced:

H. F. No. 1991, A bill for an act relating to metropolitan government; providing for appointments, administration, reports, and duties of metropolitan agencies; amending Minnesota Statutes 1984, sections 473.121, subdivision 6, and by adding subdivisions; 473.123, subdivisions 2a, 3, and 3a; 473.141, subdivisions 2, 3, and 4a; 473.146, subdivisions 1, 2, and 3; 473.161; 473.163, subdivisions 1 and 2; and 473.303, subdivisions 2 and 4a; Minnesota Statutes 1985 Supplement, section 473.38, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1984, sections 473.121, subdivision 7; 473.163, subdivisions 3 and 4; 473.373, subdivision 3; 473.377; and 473.38, subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Thiede introduced:

H. F. No. 1992, A bill for an act relating to local government; granting the city of Brainerd the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

McDonald, Frederick, Ozment and Erickson introduced:

H. F. No. 1993, A bill for an act relating to agriculture; providing for mediation of certain agricultural loan disputes; funding upgrading of certain agricultural computer hardware and software; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time and referred to the Committee on Judiciary.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 5, A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039; 340.119, subdivision 2; 340.13, subdivision 12; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 5

A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039; 340.119, subdivision 2; 340.13, subdivision 12;

340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

May 17, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 5, 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. 5 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION.] Every application shall state the full name, date of birth, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and shall state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and his ability to operate a motor vehicle with safety as may be required by the commissioner. The application form shall contain a notification to the applicant of the availability of the donor document provided pursuant to section 171.07, subdivision 5, and shall contain spaces where the applicant must indicate a desire to receive or not to receive the donor document. The application shall be in the form prepared by the commissioner.

The application form must be accompanied by a pamphlet containing relevant facts relating to:

- (1) *the effect of alcohol on driving ability;*
- (2) *the effect of mixing alcohol with drugs;*
- (3) *the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance;*

(4) *the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.*

Sec. 2. Minnesota Statutes 1984, section 171.13, is amended by adding a subdivision to read:

Subd. 1b. [DRIVER'S MANUAL.] The commissioner shall include in each edition of the driver's manual published by the department a chapter relating to the effect of alcohol consumption on highway safety and on the ability of drivers to safely operate motor vehicles and a summary of the laws of Minnesota on operating a motor vehicle while under the influence of alcohol or a controlled substance.

Sec. 3. Minnesota Statutes 1984, section 171.29, subdivision 2, is amended to read:

Subd. 2. (ANY) 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 his drivers license is reinstated. A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a (\$100) \$150 fee before his drivers license is reinstated (; 75 PERCENT). *This fee shall be divided as follows:*

(a) *\$75 of this fee shall be credited to the trunk highway fund (AND 25 PERCENT).*

(b) *\$25 shall be credited to the general fund.*

(c) *\$25 shall be credited to a special account to be known as the alcohol impaired driver education account. Money in the account is appropriated to the commissioner of education for grants to develop alcohol impaired driver education programs in elementary, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. The commissioner of education shall report to the legislature by January 15, 1987, on the expenditure of grant funds under this section.*

(d) *\$25 shall be credited to a separate account to be known as the county probation reimbursement account. Funds in this account are appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, in providing probation and parole services to wards of the commissioner of corrections. These funds are provided in addition to any funds which the counties currently receive under section 260.311, subdivision 5.*

Sec. 4. Minnesota Statutes 1984, section 340.02, subdivision 8, is amended to read:

Subd. 8. [PERSONS ELIGIBLE.] Licenses hereunder shall be issued only to persons who are citizens of the United States or resident aliens, who are of good moral character and repute, who have attained the age of (19) 21 years and who are proprietors of the establishments for which the licenses are issued.

Sec. 5. Minnesota Statutes 1984, section 340.035, subdivision 1, is amended to read:

Subdivision 1. It is unlawful for any:

(1) licensee or his employee to permit any person under the age of (19) 21 years to consume nonintoxicating malt liquor on the licensed premises;

(2) person other than the parent or legal guardian to procure nonintoxicating malt liquor for any person under the age of (19) 21 years;

(3) person to induce a person under the age of (19) 21 years to purchase or procure nonintoxicating malt liquor.

Sec. 6. Minnesota Statutes 1984, section 340.119, subdivision 2, is amended to read:

Subd. 2. A bottle club may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. A bottle club or any unincorporated society which shall have more than 50 members and which shall have, for more than a year, owned, hired, or leased space in a building of such extent and character as may be suitable and adequate for reasonable and comfortable accommodations for its members, may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. Every bottle, container, or other receptacle containing intoxicating liquor stored by members shall have attached to it a label signed by the member of the club. All liquor on the premises of the club shall be labeled as herein required, and any not being actually used or consumed by the owner thereof shall be kept in a locker designated to the use of such member. It shall be unlawful for any club member under (19) 21 years of age to be assigned a locker for the storage of intoxicating liquor, or to consume or display or be permitted to consume or display intoxicating liquor on any premises owned or controlled by such private club.

Sec. 7. Minnesota Statutes 1984, section 340.13, subdivision 12, is amended to read:

Subd. 12. [LICENSES; PERSONS ELIGIBLE.] No license shall be issued to a person other than a citizen of the United States or resident alien, (19) 21 years of age or over, who shall

be of good moral character and repute; nor to any person who within five years prior to the application for the license has been convicted of any willful violation of any law of the United States or the state of Minnesota or of any local ordinance with regard to the manufacture, sale, distribution, or possession for sale or distribution of intoxicating liquor; nor to any person whose license under the Intoxicating Liquor Act is revoked for a willful violation of any of those laws or ordinances.

Sec. 8. Minnesota Statutes 1984, section 340.14, subdivision 1a, is amended to read:

Subd. 1a. [PERSONS DENIED ACCESS.] No intoxicating liquor shall be sold, furnished, or delivered for any purpose to any (MINOR) *person under the age of 21 years* or to any person obviously intoxicated or to any of the persons to whom sale is prohibited by statute.

Sec. 9. Minnesota Statutes 1984, section 340.15, is amended by adding a subdivision to read:

Subd. 1a. No manufacturer, wholesaler, or retailer of alcoholic beverages, whether holding a license in Minnesota or not, may conduct, sponsor, or contribute financially to events or activities which:

(a) are held on the campuses or other property of a post-secondary institution of learning, and

(b) involve as a part thereof the consumption or sale of alcoholic beverages.

This subdivision does not affect on-campus, licensed retailers of alcoholic beverages.

Sec. 10. Minnesota Statutes 1984, section 340.403, subdivision 3, is amended to read:

Subd. 3. [LICENSE GRANTED.] Upon the filing of an application, the approval of the bond, and the payment of the license fee, the commissioner shall grant the license unless it appears that the applicant: (1) is not a citizen of the United States or resident alien; or (2) is not (19) 21 years of age or over; or (3) has been convicted of a felony under the laws of this state; or (4) has had his license revoked within a period of one year prior to the filing of his application; or (5) has not been a resident of Minnesota or has not been qualified as a corporation to do business in Minnesota for more than 90 days prior to application. In the event the applicant is a corporation its managing officers must possess the qualifications stated in clauses (1), (2), (3), and (4).

No wholesale malt beverage license shall be granted to any person unless he has within the state of Minnesota warehouse space either owned or leased by him and has adequate delivery facilities to perform the function of wholesaling malt beverages. However, the requirements of this subdivision as to residence and warehouse space shall not apply to any wholesaler in an adjoining state that permits Minnesota resident licensees to deliver malt beverages to retailers without warehousing in that state or to any wholesaler in an adjoining state delivering malt beverages manufactured in Minnesota.

Sec. 11. Minnesota Statutes 1984, section 340.73, subdivision 1, is amended to read:

Subdivision 1. It is unlawful for any person, except a licensed pharmacist to sell, give, barter, furnish, deliver, or dispose of, in any manner, either directly or indirectly, any intoxicating liquors or nonintoxicating malt liquors in any quantity, for any purpose, to any person under the age of (19) 21 years, or to any obviously intoxicated person.

Sec. 12. Minnesota Statutes 1984, section 340.731, is amended to read:

340.731 [PERSONS UNDER (19) 21 YEARS, FORBIDDEN ACTS OR STATEMENTS.]

It shall be unlawful for (1) a person under the age of (19) 21 years to enter any premises licensed for the retail sale of alcoholic beverages or any municipal liquor store for the purpose of purchasing, or having served or delivered to him or her, any alcoholic beverage containing more than one-half of one percent of alcohol by volume; or

(2) a person under the age of (19) 21 years to purchase, attempt to purchase or have another purchase for him or her any intoxicating liquor or nonintoxicating malt liquor; or

(3) any person to misrepresent or misstate his or her age, or the age of any other person for the purpose of inducing any licensee or any employee of any licensee, or any employee of any municipal liquor store, to sell, serve or deliver any alcoholic beverage to a person under the age of (19) 21 years; or

(4) a person under the age of (19) 21 years to have in his or her possession any intoxicating liquor or non-intoxicating malt liquor, with intent to consume same at a place other than the household of his or her parent or guardian. Possession of such intoxicating liquor or nonintoxicating malt liquor at a place other than the household of his or her parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his or her parent or guardian; or

(5) a person under the age of (19) 21 years to consume any intoxicating liquor or nonintoxicating malt liquor unless in the household of his or her parent or guardian and with the consent of his or her parent or guardian.

Sec. 13. Minnesota Statutes 1984, section 340.80, is amended to read:

340.80 [INDUCING CERTAIN PERSONS TO ENTER LIQUOR ESTABLISHMENTS; PENALTY.]

Any person who shall assist, procure or induce any person under the age of (19) 21 years or other person to whom the sale of liquor is by law forbidden, to enter or visit any saloon, bar, buffet or public drinking place for the purpose of obtaining intoxicating liquors, is guilty of a gross misdemeanor; and, upon conviction, punished therefor according to the laws of the state.

Sec. 14. [REPEALER.]

Minnesota Statutes 1984, section 340.79, is repealed.

Sec. 15. [EFFECTIVE DATE.]

Sections 1, 2, 3, and 9 are effective July 1, 1985. Sections 4 to 8, and 10 to 14 are effective September 30, 1986; except that these sections are not effective if, by September 30, 1986:

(a) any state bordering Minnesota has not established a minimum drinking age of 21 for intoxicating liquor; or

(b) United States Code, title 23, section 158 is repealed."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, consumption, possession, and furnishing; restricting certain promotion; establishing programs for the prevention of alcohol-impaired driving among young drivers and for education on avoidable health risks; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.06, subdivision 3; 171.13, by adding a subdivision; 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.119, subdivision 2; 340.13, subdivision 12; 340.14, subdivision 1a; 340.15, by adding a subdivision; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; and 340.80; repealing Minnesota Statutes 1984, section 340.79."

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

Senate Conferees: A. W. DIESSNER, JIM RAMSTAD, CLARENCE M. PURFEERST, SAM G. SOLON and DEAN E. JOHNSON.

House Conferees: GARY L. SCHAFER, GIL GUTKNECHT, BERT J. MCKASY, DON VALENTO and RANDY C. KELLY.

Schafer moved that the House refuse to adopt the Conference Committee report on S. F. No. 5, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

Bishop moved to lay the Schafer motion relating to the Conference Committee report on S. F. No. 5 on the table. The motion did not prevail.

The question recurred on the Schafer motion and the roll was called. There were 61 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Backlund	Fjoslien	Kelly	Picpho	Thorson
Becklin	Forsythe	Kiffmeyer	Poppenhagen	Tjornhom
Blatz	Frederick	Knickerbocker	Quist	Tomlinson
Boerboom	Frederickson	Krueger	Redalen	Tompkins
Boo	Frerichs	Kvam	Rees	Uphus
Burger	Gruenes	Levi	Rest	Valan
Carlson, J.	Gutknecht	Marsh	Richter	Waltman
Carlson, L.	Halberg	McDonald	Schafer	Zaffke
Clausnitzer	Hartinger	McKasy	Schreiber	Spk. Jennings, D.
Dempsey	Hartle	McPherson	Seaberg	
DenOuden	Haukoos	Nelson, D.	Shaver	
Dyke	Heap	Olsen, S.	Sviggum	
Erickson	Himle	Onnen	Thiede	

Those who voted in the negative were:

Anderson, G.	Greenfield	Metzen	Otis	Segal
Battaglia	Jacobs	Miller	Pappas	Simoneau
Beard	Jaros	Minne	Peterson	Solberg
Begich	Jennings, L.	Munger	Piper	Sparby
Bennett	Kahn	Murphy	Price	Staten
Bishop	Kalis	Neuenschwander	Quinn	Tunheim
Brandl	Knuth	Norton	Rice	Vanasek
Brinkman	Kostohryz	O'Connor	Riveness	Vellenga
Brown	Lieder	Ogren	Rodosovich	Voss
Clark	Long	Olson, E.	Sarna	Welle
Cohen	McEachern	Omann	Scheid	Wenzel
Elioff	McLaughlin	Osthoff	Schoenfeld	Wynia

The motion prevailed and the Conference Committee report on S. F. No. 5 was returned to the Conference Committee.

REPORTS FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Levi, for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Resolved that the Rules of the House of Representatives for the 74th Legislature be amended as follows:

(1) Rule 1.16 is amended to read:

1.16 TIME LIMIT FOR CONSIDERATION OF BILLS. If 20 legislative days after a bill has been referred to committee (other than a bill in Appropriations) no report has been made upon it by the committee, its chief author may request that it be returned to the House and the request shall be entered in the Journal for the day. The committee shall have ten calendar days thereafter in which to vote upon the bill requested. If the Committee fails to vote upon it within the ten days, the chief author may, at any time within five calendar days thereafter, present a written demand to the Speaker for its immediate return to the House. The demand shall be entered in the Journal for that day and shall constitute the demand of the House. The bill shall then be considered to be in the possession of the House, given its second reading and placed at the foot of General Orders.

Such bill is subject to re-reference by a majority vote of the whole House. If the motion to re-refer is made on the day of the demand or within one legislative day thereafter, the motion shall take precedence over all other motions except privileged motions and shall be in order at any time.

After (FRIDAY, MAY 10, 1985) *Thursday, March 13, 1986*, the House shall not act on bills other than those recommended by conference committee reports or the Committee on Rules and Legislative Administration, and those bills contained in messages from the Senate or from the Governor.

(2) Rule 3.4 is amended to read:

3.4 MOTION FOR RECONSIDERATION. When a question has been decided either in the affirmative or negative, it shall be in order for any member who voted with the prevailing side to move its reconsideration, provided that such motion is made either on the same day the vote was taken or within the following two days of actual session of the House. A motion for reconsideration can be made at any time in the Order of Business and shall take precedence over all other questions except the motion to adjourn and the notice of intention to move reconsideration. Such motion or notice shall not be in order if the document, bill, resolution, message, report or other official action on which the vote was taken shall have left the possession of the House.

When a member gives notice of intention to move reconsideration of the final action of the House on any bill, resolution, message, report or other official action, the Chief Clerk shall retain the same until after the matter is disposed of or the time has

expired during which the motion for reconsideration can be made.

On the last day allowed for the motion to reconsider, it shall be in order for any member who voted on the prevailing side to make the motion, unless the matter has been already disposed of.

A motion for reconsideration having been voted upon and lost shall not be renewed.

(IN AN ODD-NUMBERED YEAR,) Notice of intention to move reconsideration shall not be in order after (MONDAY, APRIL 22) *Thursday, March 13, 1986.*

(3) Rule 6.11 is amended to read:

6.11 CONFERENCE COMMITTEES. A conference committee may report at any time. No committee except a conference committee or the Committee on Rules and Legislative Administration shall sit during any daily session of the House without leave.

A conference committee report shall include only subject matter contained in the House or Senate versions of the bill for which that conference committee was appointed, or like subject matter contained in a bill passed by the House.

(IN AN ODD-NUMBERED YEAR) Except after (MONDAY, MAY 13) *Friday, March 14, 1986,* a written copy of a report of a conference committee shall be placed on the desk of each member of the House twelve hours before action on the report by the House. If the report has been reprinted in the Journal of the House for a preceding day and is available to the members, the Journal copy shall serve as the written report.

The motion prevailed and the resolution was adopted.

Levi from the Committee on Rules and Legislative Administration to which was referred:

Senate Concurrent Resolution No. 17, A Senate concurrent resolution providing session deadlines for the legislature pursuant to Joint Rule 2.03.

Reported the same back with the recommendation that the resolution be adopted.

SENATE CONCURRENT RESOLUTION NO. 17

A Senate concurrent resolution providing session deadlines for the legislature pursuant to Joint Rule 2.03.

Whereas, Joint Rule 2.03, paragraph (b) requires the legislature to establish session deadline dates for even-numbered year sessions; *Now, Therefore*,

Be It Resolved by the Senate of the State of Minnesota, the House of Representatives concurring, that committee reports on bills favorably acted upon by a committee in the house of origin after Friday, February 28, 1986, and committee reports on bills originating in the other house favorably acted upon by a committee after Saturday, March 8, 1986, shall be referred in the Senate to the Committee on Rules and Administration and in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. Referral is not required when a committee, after the earlier date and by the later date set by this paragraph, acts on a bill that is a companion to a bill that has met the earlier deadline in the other house. This requirement does not apply to the Senate Committees on Finance and on Taxes and Tax Laws, and the House Committees on Appropriations and on Taxes.

After Thursday, March 13, 1986, neither house shall act on bills other than those contained in:

- (1) Reports of conference committees;
- (2) Messages from the other house;
- (3) Reports of the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House; or
- (4) Messages from the governor.

Levi moved that Senate Concurrent Resolution No. 17 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 17 was adopted.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Jennings in the Chair for consideration of bills pending on General Orders of the day. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following recommendations of the Committee were reported to the House:

H. F. No. 1699 was recommended to pass.

H. F. No. 1725 was recommended for progress.

H. F. No. 1773 which it recommended to pass with the following amendments:

Offered by Seaberg:

Delete everything after the enacting clause and insert:

“Section 1. [325F.745] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 3, the terms defined in this section have the meanings given them.

Subd. 2. [CHEWING TOBACCO.] “Chewing tobacco” means loose tobacco or a flat compressed cake of tobacco that is inserted into the mouth to be chewed or sucked.

Subd. 3. [PACKAGE.] “Package” means a pack, box, or container of any kind in which a smokeless tobacco product is offered for sale, sold, or otherwise distributed.

Subd. 4. [PERSON.] “Person” means any individual, partnership, corporation, or other business or legal entity.

Subd. 5. [SMOKELESS TOBACCO.] “Smokeless tobacco” means chewing tobacco or tobacco snuff.

Subd. 6. [TOBACCO SNUFF.] “Tobacco snuff” means a small amount of shredded, powdered, or pulverized tobacco that may be inhaled through the nostrils, chewed, or held in the mouth of an individual user.

Subd. 7. [DISTRIBUTE.] “Distribute” means to give products to the general public at no cost or at nominal cost for product promotional purposes.

Sec. 2. [325F.746] [NOTICE OF FREE DISTRIBUTION.]

No person shall distribute any smokeless tobacco product without first giving written notice of that distribution to the attorney general. Notice must be received at least ten days prior to that distribution and must include the time, place, and manner of the distribution and the estimated number of smokeless tobacco product units to be distributed.

This subdivision does not prohibit a local unit of government from further restricting or prohibiting the distribution of smokeless tobacco products.

Sec. 3. [325F.747] [REMEDIES.]

The attorney general may institute a civil action in the name of the state of Minnesota in the district court for an injunction prohibiting any violation of section 2. The court, upon notice to the defendant of not less than five days, and upon proof that defendant has engaged in the practice prohibited by section 2, may enjoin the future commission of the practice. The court may impose a civil penalty in an amount not to exceed \$5,000 for each violation. The attorney general may recover costs and disbursements, including costs of investigation and reasonable attorneys fees.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective June 1, 1986."

Delete the title and insert:

"A bill for an act relating to consumer protection; regulating the distribution of smokeless tobacco products; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F."

Offered by Nelson, D.:

In the Seaberg amendment:

Page 2, after line 20, insert:

"Sec. 4. Minnesota Statutes 1984, section 609.685, subdivision 1, is amended to read:

609.685 [SALE OF TOBACCO TO CHILDREN.]

Subdivision 1. ([DEFINITION.]) [DEFINITIONS.] For the purposes of this section, *the following terms shall have the meanings respectively ascribed to them in this section.*

(a) "Tobacco" means cigarettes; cigars; cheroots; stogies; perique; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco; and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or other tobacco-related devices.

(b) "Tobacco related devices" means cigarette papers or pipes for smoking."

Page 2, line 22, delete "3" and insert "5"

Renumber the sections accordingly

Amend the title as follows :

Page 2, line 27, after the semicolon insert "clarifying a definition; amending Minnesota Statutes 1984, section 609.685, subdivision 1;"

Offered by Skoglund :

In the Seaberg amendment :

Page 1, line 24, delete "NOTICE OF FREE DISTRIBUTION" and insert "PROMOTIONAL DISTRIBUTION PROHIBITED"

Page 2, delete lines 2 to 5

Page 2, line 6, delete everything before the period

Page 2, after line 6, insert :

"No person shall distribute cigarettes, cigars, pipe tobacco or other tobacco products suitable for smoking to individuals under the age of 18. The person distributing the cigarettes, cigars, pipe tobacco, or other tobacco product must verify the individual's age prior to any distribution. Proof of age may be established only by a valid driver's license or Minnesota identification card or in the case of a foreign national by a valid passport."

Page 2, line 9, delete "smokeless"

Page 2, after line 20, insert :

"Sec. 4. [SEVERABLE PROVISIONS.]

If any provision of sections 1 to 3 is found to be unconstitutional and void, the remaining provisions of sections 1 to 3 shall remain valid."

Renumber the remaining section

Page 2, line 26, delete "smokeless"

On the motion of Levi the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole :

Skoglund moved to amend H. F. No. 1773, as amended by the Seaberg and Nelson, D., amendments, as follows :

Page 1, line 24, delete "NOTICE OF FREE DISTRIBUTION" and insert "PROMOTIONAL DISTRIBUTION PROHIBITED"

Page 2, delete lines 2 to 5

Page 2, line 6, delete everything before the period

Page 2, after line 6, insert:

"No person shall distribute cigarettes, cigars, pipe tobacco or other tobacco products suitable for smoking to individuals under the age of 18. The person distributing the cigarettes, cigars, pipe tobacco, or other tobacco product must verify the individual's age prior to any distribution. Proof of age may be established only by a valid driver's license or Minnesota identification card or in the case of a foreign national by a valid passport."

Page 2, line 9, delete "smokeless"

Page 2, after line 20, insert:

"Sec. 4. [SEVERABLE PROVISIONS.]

If any provision of sections 1 to 3 is found to be unconstitutional and void, the remaining provisions of sections 1 to 3 shall remain valid."

Renumber the remaining section

Page 2, line 26, delete "smokeless"

The question was taken on the Skoglund amendment and the roll was called. There were 75 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Knuth	Onnen	Schreiber
Anderson, R.	DenOuden	Krueger	Otis	Segal
Backlund	Dimler	Lieder	Peterson	Skoglund
Battaglia	Elioff	Long	Piepho	Solberg
Beard	Ellingson	Marsh	Piper	Sparby
Becklin	Forsythe	McDonald	Price	Stanius
Begich	Greenfield	McLaughlin	Quinn	Staten
Bennett	Gruenes	Minne	Quist	Tjornhom
Blatz	Gutknecht	Munger	Redalen	Tompkins
Brown	Hartinger	Murphy	Rees	Tunheim
Carlson, D.	Himle	Nelson, D.	Rest	Vanasek
Carlson, J.	Jaros	Nelson, K.	Richter	Vellenga
Carlson, L.	Kahn	Neuenschwander	Riveness	Voss
Clark	Kelly	Norton	Rodosovich	Welle
Cohen	Kiffmeyer	Olson, E.	Schoenfeld	Wynia

Those who voted in the negative were:

Boerboom	Erickson	Hartle	Kalis	McKasy
Boo	Fjoslien	Heap	Kostohryz	McPherson
Brinkman	Frederick	Jacobs	Kvam	Metzen
Burger	Frederickson	Jennings, L.	Levi	Miller
Dyke	Frerichs	Johnson	McEachern	O'Connor

Olsen, S.	Sarna	Thiede	Valan	Wenzel
Omann	Schafer	Thorson	Valento	Zaffke
Poppenhagen	Seaberg	Uphus	Waltman	Spk. Jennings, D.
Rose	Sviggum			

The motion prevailed and the amendment was adopted.

The question was taken on the motion to recommend passage of H. F. No. 1773, as amended, and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Kostohryz	Osthoff	Simoneau
Anderson, R.	Ellingson	Krueger	Otis	Skoglund
Backlund	Erickson	Kvam	Ozment	Solberg
Battaglia	Fjoslien	Levi	Pappas	Sparby
Beard	Forsythe	Lieder	Peterson	Stanius
Becklin	Frederick	Long	Piepho	Staten
Begich	Frederickson	Marsh	Piper	Sviggum
Bennett	Frerichs	McDonald	Poppenhagen	Thorson
Bishop	Greenfield	McEachern	Price	Tjornhom
Blatz	Gruenes	McKasy	Quinn	Tomlinson
Boerboom	Gutknecht	McLaughlin	Quist	Tompkins
Boo	Halberg	McPherson	Redalen	Tunheim
Brandl	Hartinger	Metzen	Rees	Uphus
Brinkman	Hartle	Minne	Rest	Valan
Brown	Haukoos	Munger	Rice	Valento
Burger	Heap	Murphy	Richter	Vanasek
Carlson, D.	Himle	Nelson, D.	Riveness	Vellenga
Carlson, J.	Jacobs	Nelson, K.	Rodosovich	Voss
Carlson, L.	Jaros	Neuenschwander	Rose	Waltman
Clark	Jennings, L.	Norton	Sarna	Welle
Clausnitzer	Johnson	O'Connor	Schafer	Wenzel
Cohen	Kahn	Ogren	Scheid	Wynia
Dempsey	Kalis	Olsen, S.	Schoenfeld	Zaffke
DenOuden	Kelly	Olson, E.	Schreiber	Spk. Jennings, D.
Dimler	Kiffmeyer	Omann	Seaberg	
Dyke	Knuth	Onnen	Segal	

The motion prevailed.

MOTIONS AND RESOLUTIONS

Olsen, S., moved that the name of Segal be added as an author on House Resolution No. 36. The motion prevailed.

Ogren moved that the name of Otis be added as an author on H. F. No. 1694. The motion prevailed.

Waltman moved that the name of Kiffmeyer be added as an author on H. F. No. 1707. The motion prevailed.

Ozment moved that the name of Kiffmeyer be added as an author on H. F. No. 1728. The motion prevailed.

Rose moved that the names of Ozment and Valan be added as authors on H. F. No. 1779. The motion prevailed.

Backlund moved that the name of Jacobs be added as an author on H. F. No. 1785. The motion prevailed.

Anderson, R., moved that the name of Poppenhagen be added as an author on H. F. No. 1800. The motion prevailed.

Tjornhom moved that the name of Neuenschwander be added as an author on H. F. No. 1813. The motion prevailed.

Kostohryz moved that the names of Quinn, Jacobs and Shaver be added as authors on H. F. No. 1845. The motion prevailed.

Knuth moved that the name of Segal be added as an author on H. F. No. 1887. The motion prevailed.

Ellingson moved that the names of Segal and Carlson, D., be added as authors on H. F. No. 1902. The motion prevailed.

Kostohryz moved that the name of Bennett be added as an author on H. F. No. 1910. The motion prevailed.

Boerboom moved that H. F. No. 1969 be recalled from the Committee on Financial Institutions and Insurance and be re-referred to the Committee on Governmental Operations. The motion prevailed.

McPherson moved that H. F. No. 1928 be recalled from the Committee on Education and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Dyke moved that S. F. No. 363 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Omann moved that H. F. No. 1720 be recalled from the Committee on Financial Institutions and Insurance and be re-referred to the Committee on Agriculture. The motion prevailed.

McLaughlin; Norton; Clark; Jennings, D., and Staten introduced:

House Resolution No. 39, A house resolution welcoming Rosa Parks and hailing Black History Month.

SUSPENSION OF RULES

McLaughlin moved that the rules be so far suspended that House Resolution No. 39 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 39

A house resolution welcoming Rosa Parks and hailing Black History Month.

Whereas, February is Black History Month; and

Whereas, this observance gives all Americans a special opportunity to recall, to learn anew and to celebrate the contributions and experiences of American Blacks and their forebears; and

Whereas, Black History has special lessons for Americans about human growth, endurance and dignity; and

Whereas, an exemplar of the Black struggle for justice, Rosa Parks, will visit Minnesota February 11; and

Whereas, Rosa Parks's courage ignited one of the great episodes in that struggle, the 1955 Montgomery, Alabama bus boycott; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that Rosa Parks is warmly welcomed to Minnesota and that Black History Month is hailed as an opportunity for thought and affirmation of human dignity by Minnesotans.

Be It Further Resolved that the Chief Clerk of the House of Representatives transmit a formal copy of this resolution to Rosa Parks.

McLaughlin moved that House Resolution No. 39 be now adopted. The motion prevailed and House Resolution No. 39 was adopted.

House Resolution No. 38 was reported to the House.

Levi moved that House Resolution No. 38 be now adopted.

HOUSE RESOLUTION NO. 38

A house resolution setting the maximum limit on taxes and appropriations for the biennium.

Whereas, the January 1986 forecast by the Governor and Department of Finance of the revenues and expenditures of the state of Minnesota for the biennium ending June 30, 1987, indicated a general fund revenue shortfall of \$734,200,000; *Now, Therefore*,

Be It Resolved by the House of Representatives of the state of Minnesota that the sum of \$100,000,000 should be maintained as

a budget reserve for the remainder of the biennium ending June 30, 1987.

Be It Further Resolved that budget adjustments in the amount of \$384,200,000 be enacted to modify the general fund budget adopted by the Legislature in 1985.

Be It Further Resolved that the sum of \$10,208,800,000 is the maximum limit on appropriations for the purpose of expenditures and transfers from the general fund for the fiscal years of 1986 to 1987. This limit is adopted under authority of House Rule 5.10.

Be It Further Resolved that the sum of (1) the unreserved general fund balance at the end of fiscal year 1985, (2) taxes for purposes of general fund expenditures and transfers for the fiscal years of 1986 and 1987, and (3) nontax general fund revenues for the fiscal years of 1986 and 1987 shall not exceed the amount of \$10,308,800,000. This limit is adopted under the authority of House Rule 5.10.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Levi and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Ellingson	Kostohryz	Otis	Skoglund
Anderson, R.	Erickson	Kvam	Ozment	Solberg
Backlund	Fjoslien	Levi	Pappas	Sparby
Battaglia	Forsythe	Lieder	Peterson	Stanius
Beard	Frederick	Long	Piepho	Staten
Becklin	Frederickson	McDonald	Poppenhagen	Thiede
Begich	Frerichs	McEachern	Price	Thorson
Bennett	Greenfield	McKasy	Quinn	Tjornhom
Bishop	Gruenes	McLaughlin	Redalen	Tomlinson
Blatz	Gutknecht	McPherson	Rees	Tompkins
Boerboom	Halberg	Metzen	Rest	Tunheim
Brandl	Hartinger	Miller	Rice	Uphus
Brinkman	Hartle	Minne	Richter	Valan
Brown	Haukoos	Munger	Riveness	Valento
Burger	Heap	Nelson, D.	Rodosovich	Vellenga
Carlson, J.	Himle	Nelson, K.	Rose	Voss
Carlson, L.	Jennings, L.	Neuenschwander	Sarna	Waltman
Clark	Johnson	Norton	Schafer	Welle
Clausnitzer	Kahn	O'Connor	Scheid	Wenzel
Cohen	Kalis	Ogren	Schoenfeld	Wynia
DenOuden	Kelly	Olsen, S.	Schreiber	Zaffke
Dimler	Kiffmeyer	Olson, E.	Segal	Spk. Jennings, D.
Dyke	Knickerbocker	Omann	Shaver	
Elioff	Knuth	Osthoff	Simoneau	

Levi moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

McEachern moved to amend House Resolution No. 38, as follows:

Page 2, after line 4, insert:

"Be It Further Resolved that, if by May 30, 1986, or thereafter, forecasts of projected general fund balances result in additional available funding, the limits on appropriations for education and local government aids shall be adjusted so as to provide for restoration of appropriation reductions."

A roll call was requested and properly seconded.

The question was taken on the McEachern amendment and the roll was called. There were 66 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	Munger	Piper	Sparby
Battaglia	Jennings, L.	Murphy	Price	Staten
Beard	Kahn	Nelson, D.	Quinn	Tomlinson
Begich	Kalis	Nelson, K.	Rest	Tunheim
Brandl	Kelly	Neuenschwander	Rice	Vanasek
Brinkman	Knuth	Norton	Riveness	Vellenga
Brown	Kostohryz	O'Connor	Rodosovich	Voss
Carlson, L.	Krueger	Ogren	Sarna	Welle
Clark	Lieder	Olson, E.	Scheid	Wenzel
Cohen	Long	Omman	Schoenfeld	Wynia
Elioff	McEachern	Osthoff	Segal	
Ellingson	McLaughlin	Otis	Simoneau	
Greenfield	Metzen	Pappas	Skoglund	
Jacobs	Minne	Peterson	Solberg	

Those who voted in the negative were:

Anderson, R.	Dimler	Heap	Ozment	Thiede
Backlund	Dyke	Himle	Piepho	Thorson
Becklin	Erickson	Johnson	Poppenhagen	Tjornhom
Bennett	Fjoslien	Kiffmeyer	Quist	Tompkins
Bishop	Forsythe	Knickerbocker	Redalen	Uphus
Blatz	Frederick	Kvam	Rees	Valan
Boerboom	Frederickson	Levi	Richter	Valento
Boo	Frerichs	Marsh	Rose	Waltman
Burger	Gruenes	McDonald	Schafer	Zaffke
Carlson, D.	Gutknecht	McKasy	Schreiber	Spk. Jennings, D.
Carlson, J.	Halberg	McPherson	Seaberg	
Clausnitzer	Hartinger	Miller	Shaver	
Dempsey	Hartle	Olsen, S.	Stanius	
DenOuden	Haukoos	Onnen	Sviggum	

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

Voss moved to amend House Resolution No. 38, as follows:

Page 2, after line 4, insert:

"Be It Further Resolved that, in reaching the reduced appropriation amounts for fiscal years 1986 and 1987, no action taken

shall result in shifting existing authorized state general fund expenditure liabilities beyond June 30, 1987.

Be It Further Resolved that necessary budget revisions shall include such payment changes and authorities necessary so as to prevent the need for general fund short-term borrowing in fiscal years 1986 and 1987.

Be It Further Resolved that no major appropriation or taxing bills may be acted upon by the House until the budget committee has met and made a recommendation to the House that the major appropriation and tax bills have been reconciled so that the state general fund budget for 1986 and 1987 will be balanced as a result of House action on those bills."

A roll call was requested and properly seconded.

The question was taken on the Voss amendment and the roll was called.

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

There were 56 yeas and 69 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Greenfield	Minne	Quinn	Staten
Battaglia	Jacobs	Murphy	Rest	Tjornhom
Begich	Jennings, L.	Nelson, D.	Rice	Tunheim
Brandl	Kahn	Nelson, K.	Riveness	Vanasek
Brown	Knuth	Norton	Rodosovich	Vellenga
Carlson, D.	Kostohryz	Ogren	Sarna	Voss
Carlson, L.	Krueger	Olson, E.	Scheid	Welle
Clark	Lieder	Osthoff	Schoenfeld	Wynia
Cohen	Long	Otis	Segal	
Dyke	McEachern	Ozment	Simoneau	
Elioff	McLaughlin	Peterson	Solberg	
Ellingson	Metzen	Piper	Sparby	

Those who voted in the negative were :

Anderson, R.	Fjoslien	Kalis	Pauly	Stanius
Backlund	Forsythe	Kelly	Piepho	Sviggum
Beard	Frederick	Kiffmeyer	Poppenhagen	Thiede
Bennett	Frederickson	Knickerbocker	Price	Thorson
Blatz	Frerichs	Kvam	Quist	Tomlinson
Boerboom	Gruenes	Levi	Redalen	Tompkins
Boo	Gutknecht	Marsh	Rees	Uphus
Burger	Halberg	McKasy	Richter	Valan
Carlson, J.	Hartinger	McPherson	Rose	Valento
Clausnitzer	Hartle	Miller	Schafer	Waltman
Dempsey	Haukoos	Olson, S.	Schreiber	Wenzel
DenOuden	Heap	Omann	Seaberg	Zaffke
Dimler	Himle	Onnen	Shaver	Spk. Jennings, D.
Erickson	Johnson	Pappas	Skoglund	

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

Metzen was excused for the remainder of today's session.

The question was taken on House Resolution No. 38 and the roll was called.

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

There were 101 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Elioff	Kiffmeyer	Omann	Solberg
Backlund	Ellingson	Knickerbocker	Onnen	Sparby
Battaglia	Erickson	Knuth	Ozment	Stanisus
Beard	Fjoslien	Krueger	Pauly	Sviggum
Begich	Forsythe	Kvam	Peterson	Thiede
Bennett	Frederick	Levi	Poppenhagen	Thorson
Bishop	Frederickson	Lieder	Quist	Tjornhom
Blatz	Frerichs	Marsh	Redalen	Tompkins
Boerboom	Gruenes	McDonald	Rees	Tunheim
Boo	Gutknecht	McEachern	Rest	Uphus
Brinkman	Halberg	McKasy	Richter	Valan
Brown	Hartinger	McPherson	Riveness	Vanasek
Burger	Hartle	Miller	Rose	Waltman
Carlson, D.	Haukoos	Minne	Sarna	Welle
Carlson, J.	Heap	Nelson, D.	Schafer	Wenzel
Carlson, L.	Himle	Nelson, K.	Scheid	Zaffke
Clausnitzer	Jacobs	Neuenschwander	Schoenfeld	Spk. Jennings, D.
Dempsey	Jennings, L.	Norton	Schreiber	
DenOuden	Johnson	O'Connor	Seaberg	
Dimler	Kalis	Olsen, S.	Segal	
Dyke	Kelly	Olson, E.	Shaver	

Those who voted in the negative were:

Anderson, G.	Kahn	Ogren	Quinn	Staten
Brandl	Kostohryz	Osthoff	Rice	Tomlinson
Clark	McLaughlin	Otis	Rodosovich	Vellenga
Cohen	Munger	Pappas	Simoneau	Voss
Greenfield	Murphy	Piper	Skoglund	Wynia
Jaros				

The motion prevailed and House Resolution No. 38 was adopted.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, February 12, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, February 12, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SIXTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, FEBRUARY 12, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Father John Clay, St. Stanislaus Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Elioff	Knuth	Onnen	Shaver
Anderson, R.	Ellingson	Kostohryz	Osthoff	Simoneau
Backlund	Erickson	Krueger	Otis	Skoglund
Battaglia	Fjoslien	Kvam	Ozment	Solberg
Beard	Forsythe	Levi	Pappas	Sparby
Becklin	Frederick	Lieder	Pauly	Stanius
Begich	Frederickson	Marsh	Peterson	Staten
Bennett	Frerichs	McDonald	Piepho	Sviggum
Bishop	Greenfield	McEachern	Piper	Thiede
Blatz	Gruenes	McKasy	Poppenhagen	Thorson
Boerboom	Gutknecht	McLaughlin	Price	Tjornhom
Boo	Halberg	McPherson	Quinn	Tomlinson
Brandl	Hartinger	Metzen	Quist	Tompkins
Brinkman	Hartle	Miller	Redalen	Tunheim
Brown	Haukoos	Minne	Rees	Uphus
Burger	Heap	Munger	Rest	Valan
Carlson, D.	Himle	Murphy	Rice	Valento
Carlson, J.	Jacobs	Nelson, D.	Richter	Vanasek
Carlson, L.	Jaros	Nelson, K.	Riveness	Vellenga
Clark	Jennings, L.	Neuenschwander	Rose	Voss
Clausnitzer	Johnson	Norton	Sarna	Waltman
Cohen	Kahn	O'Connor	Schafer	Welle
Dempsey	Kalis	Ogren	Scheid	Wenzel
DenOuden	Kelly	Olsen, S.	Schreiber	Wynia
Dimler	Kiffmeyer	Olson, E.	Seaberg	Zaffke
Dyke	Knickerbocker	Omann	Segal	Spk. Jennings, D.

A quorum was present.

Long, Schoenfeld and Sherman were excused.

Rodosovich was excused until 2:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Gruenes moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1224, 1826, 1871, 1897, 1035, 1806, 1841 and 1773 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Ejoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 124, A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to article VIII; providing for the recall of elected officials.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [LEGISLATIVE PURPOSE.]

The legislature finds that our government was formed as a republic because a government with limited power is preferred over a government with unlimited power, and that our state and federal constitutions are designed to give the balance of power to the people. The people, as a sovereign entity, have not delegated their authority away and therefore possess recall authority at the present time, and the people desire assurance that their elected officials recognize the people's power to remove them from office when the people determine that they have violated the oath of office. The legislature finds that the Minnesota Constitution is a directive from the people to their elected officials delegating to them only specific powers and duties. The legislature proposes to the people the constitutional amendment in sections 2 and 3 because it will clarify and further define the flow of power from the people of Minnesota to their government.

Sec. 2. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution, adding a section to article VIII, is proposed to the people. If the amendment is adopted, the new section will read:

Sec. 6. An elective officer may be recalled by the eligible voters of the state, in the case of statewide offices, or of the electoral district from which the person was elected.

For statewide offices, recall may be initiated by a petition signed by eligible voters equal in number to at least 25 percent

of the vote cast in each congressional district in the last election for the office from which the person is to be recalled.

For offices which are filled by voters in more than one county, recall may be initiated by a petition signed by eligible voters equal in number to at least 25 percent of the vote cast in each of the counties in the most recent election for the office from which the person is to be recalled.

For offices which are filled by voters in only one county or in a portion of a county, recall may be initiated by a petition signed by eligible voters equal in number to at least 25 percent of the vote cast in each of the various geographical areas of the electoral district in the most recent election for the office from which the person is to be recalled. The legislature shall provide by law for a comparable geographical distribution of petitioners to that in statewide or multi-county offices.

A special election shall be held for the office of a person against whom a petition has been filed, and that person shall be a candidate in the special election unless he chooses to resign. After one petition for recall and special election, no further recall petition shall be filed against the same person during the term for which he was elected.

The legislature shall provide by law for administration and enforcement of this section. This section expires January 1, 1991.

Sec. 3. [QUESTION.]

The proposed amendment shall be submitted at the 1986 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to allow for the recall of elective officers by petition and special election?”

Yes

No” ”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1185, A bill for an act relating to transportation; advertising devices; authorizing advertising on certain telephone

booths; amending Minnesota Statutes 1984, section 160.27, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 19, after "*city*" delete the new language up to the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1664, A bill for an act relating to local government; regulating contracts for the purchase of fuel by a municipality required for generation of municipal power; amending Minnesota Statutes 1984, section 471.345, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 14, delete "*municipal*" and after "*power*" insert "*from municipal power plants*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1847, A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; setting the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6,

and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, sections 14.48; 14.51; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1869, A bill for an act relating to local government units; authorizing the privatization of facilities for the treatment of wastewater and the furnishing of water; amending Minnesota Statutes 1984, section 474.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 471A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) the gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c). This exemption does not include the following:

(i) candy and candy products, except when sold for fundraising purposes by a nonprofit organization that provides educational and social activities for young people primarily aged 18 and under;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than noncarbonated and noneffervescent bottled water sold in individual containers of one-half gallon or more in size;

(b) the gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) the gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) the gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) the gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) the gross receipts from the sale of and storage, use or consumption of petroleum products (i) upon which a tax has been imposed under the provisions of chapter 296, whether or not any

part of said tax may be subsequently refunded, or (ii) 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;

(g) the gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semiprecious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollowware and silver-plated hollowware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars;

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material;

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies;

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases;

(h) the gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Chemicals used for cleaning food processing machinery and equipment are included in this exemption. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or sim-

ilar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein. Electricity used to make snow for outdoor use for ski hills, ski slopes, or ski trails is included in this exemption;

(i) the gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. The term "publication" shall not include magazines and periodicals sold over the counter. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) 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 or a state and its agencies, instrumentalities and political subdivisions. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). 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;

(k) the gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale. For purposes of this clause, sales by a nonprofit organization shall be deemed to be "isolated or occasional" if they occur at sale events that have a duration of three or fewer consecutive days. The granting of the privilege of admission to places of amusement and the privilege of use of amusement devices by a nonprofit organization at an isolated or occasional event conducted on property owned or leased for a continuous period of more than 30 days by the nonprofit organization are also exempt. The exemption provided for isolated sales of tangible personal property and of the granting of admissions or the privilege of use of amusement devices by nonprofit organizations pursuant to this clause shall be available only if the sum of the days on which the organization and any subsidiary nonprofit organization sponsored by it that does not have a separate sales tax exemption permit conduct sales of tangible personal property, plus the days with respect to which the organization charges for the use of amusement devices or admission to places of amusement, does not exceed eight days in a calendar year. For purposes of this clause, a "nonprofit organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, no part of the net earnings of which inures to the benefit of a private individual;

(l) the gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock;

(m) the gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators;

(n) the gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed;

(o) 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. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). 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;

(p) the gross receipts from the sale of caskets and burial vaults;

(q) the gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with United States Code, title 38, section 1901, as amended;

(r) the gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect;

(s) the gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with United States Code, title 38, sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in United States Code, title 38, chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph;

(t) the gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets

standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25;

(u) the gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota. Mailing and reply envelopes and cards used exclusively in connection with the advertising and promotional materials are included in this exemption;

(v) the gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, hot water, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(w) the gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of Minnesota Statutes 1980, section 290.05, subdivision 1, clause (i);

(x) the gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1982; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for

charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses;

(y) the gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene;

(z) the gross receipts from the sale of a manufactured home, as defined in section 327.31, subdivision 6, to be used by the purchaser for residential purposes, unless the sale is the first retail sale of the manufactured home in this state;

(aa) the gross receipts from the sale of equipment used for processing solid or hazardous waste at a resource recovery facility, as defined in section 115A.03, subdivision 28;

(bb) the gross receipts from the sale of repair and replacement parts, except tires, used for maintenance or repair of farm machinery, if the part replaces a farm machinery part assigned a specific or generic part number by the manufacturer of the farm machinery;

(cc) the gross receipts from sales of tickets or admissions to regular season school games, events, and activities. For purposes of this clause, "school" has the meaning given it in section 120.10, subdivision 2;

(dd) *the gross proceeds from the sale of tangible personal property to a private vendor for the purposes of constructing or maintaining related facilities, both as defined in section 3.*

Sec. 2. [471A.01] [PUBLIC PURPOSE FINDINGS.]

The legislature finds that the privatization of facilities for the prevention, control, and abatement of water pollution, and the furnishing of water provides municipalities an opportunity under appropriate circumstances to provide those capital intensive public services in a manner that will speed construction and is less costly and more efficient than the furnishing of those services through facilities exclusively owned and operated by municipalities. The legislature further finds that existing law creates unnecessary and costly obstacles to the privatization of those capital intensive public services and that a comprehensive act is required to permit municipalities to enter into appropriate contractual arrangements with private parties to facilitate the privatization of those capital intensive public services.

Sec. 3. [471A.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 13.

Subd. 2. [ADMINISTRATOR.] "*Administrator*" means the pollution control agency or any other agency, instrumentality, or political subdivision of the state responsible for administering the loan or grant program described in section 8.

Subd. 3. [CAPITAL COST COMPONENT.] "*Capital cost component*" means that part of the service fee that the municipality determines is intended to reimburse the private vendor for the capital cost, including debt service expense, of the related facilities.

Subd. 4. [CAPITAL COST COMPONENT GRANT.] "*Capital cost component grant*" means any grant made to the municipality by the pollution control agency over a term of at least ten years to pay or reimburse the municipality for the payment of all or part of the capital cost component of the service fee.

Subd. 5. [CAPITAL COST COMPONENT LOAN.] "*Capital cost component loan*" means any loan made to the municipality by the pollution control agency over a term of at least ten years to pay or reimburse the municipality for the payment of all or part of the capital cost component of the service fee.

Subd. 6. [CAPITAL INTENSIVE PUBLIC SERVICES.] "*Capital intensive public services*" means the prevention, control, and abatement of water pollution and the furnishing of water. Capital intensive public services may be limited to the acquisition, construction, and ownership by the private vendor of related facilities.

Subd. 7. [CONTROLLING INTEREST.] "*Controlling interest*" means either (1) the power, by ownership interest, contract, or otherwise, to direct the management of the private vendor or to designate or elect at least a majority of the private vendor's governing body or board, or (2) having more than a 50 percent ownership interest in the private vendor.

Subd. 8. [MUNICIPALITY.] "*Municipality*" means a home rule charter or statutory city, county, sanitary district, or other governmental subdivision or public corporation, including the metropolitan council and the metropolitan waste control commission.

Subd. 9. [PERMITTED OBLIGATION.] "*Permitted obligation*" means the obligation of the municipality under the service contract to pay a service fee or perform any other obligation under the service contract except an obligation to pay, in a future fiscal year of the municipality from a revenue source other than funds on hand, a stated amount of money for money borrowed or for related facilities purchased by the municipality under the service contract.

Subd. 10. [PRIVATE VENDOR.] "Private vendor" means one or more persons who are not a municipality and in which no governmental entity or group of governmental entities has a controlling interest.

Subd. 11. [RELATED FACILITIES.] "Related facilities" means all real and personal property used by the private vendor in furnishing capital intensive public services, excluding any product of the related facilities, such as drinking water, furnished under the service contract.

Subd. 12. [SERVICE CONTRACT.] "Service contract" means any agreement or agreements between a municipality and a private vendor under which:

(1) the private vendor agrees to furnish to the municipality or any other user capital intensive public services in accordance with performance standards set forth in the agreement or agreements and the municipality agrees to pay or cause to be paid to the private vendor a service fee for the services, and

(2) other covenants incident to clause (1) are made.

Subd. 13. [SERVICE FEE.] "Service fee" means the payments the municipality is required under the service contract to make, or cause to be made, to the private vendor, including payments made by third parties to the private vendor for products or services and credited against payments the municipality would otherwise have to make, or cause to be made, under the service contract.

Subd. 14. [USEFUL LIFE OF THE RELATED FACILITIES.] "Useful life of the related facilities" means the economic useful life of the related facilities as determined by the municipality.

Subd. 15. [UNRESTRICTED FUNDS.] "Unrestricted funds" means any funds other than funds granted to the state or administrator by the federal government or any agency of the federal government and unavailable under federal law for the purposes set forth in section 8.

Subd. 16. [USER.] "User" means the municipality and all other persons which use the capital intensive public services furnished by the private vendor.

Sec. 4. [471A.03] [BASIC AUTHORIZATION AND RELATED POWERS.]

Subdivision 1. [BASIC AUTHORIZATION.] A municipality may contract with a private vendor to furnish in accordance

with a service contract any capital intensive public services the municipality is authorized by law to furnish, and for that purpose a municipality may exercise any and all of the powers provided in this section.

Subd. 2. [SERVICE CONTRACT.] Subject to the provisions of section 10, a municipality may enter into a service contract for a term of not more than 30 years. However, the service contract may permit the municipality to either extend or renew the term of the service contract so long as the municipality is not bound under the service contract for an extended or renewal period of more than 30 years. Under the service contract the municipality may, under terms and conditions agreed to by the municipality and the private vendor:

(1) obligate itself to pay or cause to be paid a service fee for the availability and use of the capital intensive public services to be furnished under the service contract;

(2) enter into other obligations the municipality considers appropriate that are not otherwise contrary to law; and

(3) either pledge its full faith and credit or obligate a specific source of payment for the payment of the service fee and the performance of other obligations under the service contract and the payment of damages for failure to perform the obligations.

The obligation of the municipality to pay the service fee and perform any other permitted obligations under the service contract are not considered a debt within the meaning of any statutory or charter provision, and no election is required as a precondition to the municipality entering into any permitted obligation or undertaking a project under a service contract.

Subd. 3. [PROCUREMENT PROCEDURES.] The municipality may agree under the service contract that the private vendor will acquire and construct any and all related facilities without compliance with any competitive bidding requirements, provided (1) the municipality, or municipalities if the related facilities furnish capital intensive public services to more than one municipality, has in the aggregate either no or no more than a 50 percent ownership interest in the related facilities, and (2) the municipality enters into the service contract only after requesting from two or more private vendors proposals for the furnishing of the capital intensive public services, under terms and conditions the municipality determines to be fair and reasonable. After making the request and receiving any proposals in response to the request, the municipality may negotiate the service contract with any private vendor.

Subd. 4. [SOURCES OF PAYMENT.] For the payment of a service fee or other monetary obligation under an existing service contract or in anticipation of need under a future service contract, the municipality may:

(1) levy property taxes, impose rates and charges, levy special assessments, and exercise any other revenue producing authority granted to it and apply public funds for the payment of the service fee and any other monetary obligations under the service contract in the same manner, and subject to the same conditions and limitations, except as provided in section 5, that would apply if the related facilities were acquired, constructed, owned, and operated exclusively by the municipality; and

(2) establish by ordinance, revise when considered advisable, and collect just and reasonable rates and charges for the capital intensive public services provided under the service contract. The ordinance may obligate the owners, lessees, or occupants of property, or any or all of them, to pay charges for the capital intensive public services available for their properties and may obligate the user of a related facility to pay a reasonable charge for the use of the related facility. Rates and charges may take into account the character, kind, and quality of the capital intensive public service and all other factors that enter into the cost of the capital intensive public service, including but not limited to the service fee payable with respect to it, depreciation, and payment of principal and interest on money borrowed for the acquisition or betterment of related facilities. The rates and charges may be billed and collected in a manner the municipality shall determine. On or before October 15 in each year, the municipality shall certify to the county auditor all unpaid outstanding charges for services provided under the service contract and a statement of the description of the lands against which the charges arose. It is the duty of the county auditor, upon order of the governing body of the municipality, to extend the rates and charges with interest as provided for by ordinance upon the tax rolls of the county for the taxes of the year in which the rate or charge is filed. For each year ending October 15 the rates and charges with interest shall be carried into the tax becoming due and payable in January of the following year, and shall be enforced and collected in the manner provided for the enforcement and collection of real property taxes in accordance with the provisions of the laws of the state. The rates and charges, if not paid, shall become delinquent and be subject to the same penalties and the same rate of interest as the taxes under the general laws of the state. All rates and charges shall be uniform in their application to use and service of the same character or quantity. A public hearing on the proposed ordinance shall be held prior to the meeting at which it is to be considered by the governing body of the municipality and after notice of the hearing has been published in the official newspaper of the municipality not less than ten days prior to the hearing. The notice shall state the subject matter and the general purpose of the proposed ordinance.

Subd. 5. [SALE OR LEASE OF EXISTING FACILITIES.] *For purposes of carrying out the service contract, the municipality may, without compliance with any competitive bidding requirement, sell or lease to the private vendor or any other municipality on terms and conditions as the municipality considers appropriate any existing related facilities, including land, owned by the municipality. If the facilities are sold to a private vendor, the municipality may provide that title to the facilities reverts to the municipality if the private vendor defaults under any specified provisions in the service contract. The municipality may reacquire any existing facilities it leases or sells to the private vendor and terminate the service contract in accordance with its terms notwithstanding that the service contract may constitute an equitable mortgage. No lease of existing facilities by the municipality to the private vendor is subject to the provisions of section 504.02, unless expressly so provided in the service contract.*

Subd. 6. [INTEREST IN THE RELATED FACILITIES.] *The municipality may retain or acquire, on terms and conditions it considers appropriate, a present or future interest in all or part of the related facilities and grant a mortgage or security interest in its interest in the related facilities.*

Subd. 7. [INTEREST IN THE PRIVATE VENDOR.] *The municipality may, on terms and conditions it considers appropriate, acquire an interest in the private vendor, whether as a joint venturer, stockholder, partner, or otherwise and grant a security interest in its interest in the private vendor. However, no municipality or group of municipalities may have a controlling interest in the private vendor.*

Subd. 8. [USE OF BOND PROCEEDS.] *The municipality may issue bonds and other obligations and apply their proceeds toward the payment of the costs of the related facilities in the same manner and subject to the same conditions and limitations that would apply if the related facilities were acquired, constructed, owned, and operated exclusively by the municipality and for these purposes, related facilities shall be considered to be a project within the meaning of section 474.02, subdivision 1a.*

Subd. 9. [REQUIRED PUBLIC USE.] *The municipality may agree, subject to any applicable state statutory requirements as to designated use of the related facilities, that the sole and exclusive right to provide the capital intensive public services within its jurisdiction be assumed by the private vendor under the service contract and may require that any and all members of the public within its jurisdiction use the services provided under the service contract in the same manner and subject to the same limitations and conditions that would apply if the related facilities were acquired, constructed, owned, and operated exclusively by the municipality.*

Subd. 10. [CONDEMNATION POWERS.] The municipality may exercise the right of eminent domain in the manner provided by chapter 117, for the purpose of acquiring for itself or the private vendor any and all related facilities. If the related facilities are acquired for the private vendor, the service contract shall be for a term of at least five years.

Subd. 11. [CONTRACTOR'S BOND AND MECHANICS' LIENS.] The municipality may waive or require the furnishing of a contractor's payment and performance bond of the kind described in section 574.26 in connection with the installation and construction of any related facilities. If the bond is required, the provisions of chapter 514 relating to liens for labor and materials are not applicable with respect to work done or labor or materials supplied for the related facilities. If the bond is waived, the provisions of chapter 514 apply with respect to work done or labor or materials supplied for the related facilities.

Sec. 5. [471A.04] [LEVY LIMITS.]

For purposes of applying sections 275.50 to 275.56, any property taxes levied for the payment of the service fee shall be treated as a special levy under the provisions of section 275.50, to the same extent and subject to the same limitations that would apply if the capital cost component of the service fee represented principal and interest payments on bonded indebtedness of the municipality within the meaning of section 275.50, subdivision 5, clause (e), and if the balance of the service fee represented operation and maintenance expenses for related facilities owned and operated exclusively by the municipality. The provisions of section 275.11 and any levy limits imposed by home rule charter do not apply to taxes levied to pay the service fee.

Sec. 6. [471A.05] [EXEMPTION FROM PROPERTY TAXES AND SALES TAXES.]

If the service contract provides that property taxes or sales taxes imposed with respect to the related facilities are to be included in the service fee as pass-through costs, the municipality may cause the related facilities to be exempt from either or both property or sales taxes. The municipality may exempt related facilities from property taxes by filing a certificate of exemption with the commissioner of revenue and any local government agency responsible for collecting property taxes. The municipality may exempt related facilities from sales taxes by issuing a certificate to the private vendor in substantially the same form as a certificate issued to a political subdivision of the state under sections 297A.09 to 297A.121. The certificates shall specify the tax the facility is exempt from, the facilities that are to be exempt from the tax, and the period during which the exemption is to be effective. The exemption shall only be effective during the term of the service contract from and after the date of filing the certificate in the case of property

taxes and from and after the date of issuance of the certificate in the case of sales taxes. The exemption is not effective with respect to any property taxes levied or imposed but not collected prior to the date of filing the certificate.

Sec. 7. [471A.06] [JOINT POWERS AGREEMENT.]

Two or more municipalities may enter into joint powers agreements they consider appropriate under the provisions of section 471.59 for purposes of exercising the powers granted in sections 2 to 13.

Sec. 8. [471A.07] [STATE GRANTS AND LOANS.]

On or before January 1, 1987, the pollution control agency shall submit to the legislature proposed legislation and draft implementing regulations providing for (1) the use by the administrator of unrestricted funds to provide grants and loans for related facilities that constitute wastewater treatment facilities as defined by section 115.71, subdivision 8, and (2) the use of such funding as a means of speeding construction of wastewater treatment facilities and better targeting scarce unrestricted funds to help finance wastewater treatment facilities (including reimbursement of municipalities for a portion of the capital cost component in service contracts under capital cost component loans and capital cost component grants).

Sec. 9. [471A.08] [HEARING.]

Subdivision 1. [PUBLIC HEARING REQUIRED.] Except as provided in subdivision 2, a municipality shall, before entering into a service contract under sections 2 to 13, conduct a public hearing on the proposal to provide specified capital intensive public services under sections 2 to 13. The hearing may be conducted either before or after the date on which any request for proposals is made under section 4, subdivision 3, clause (2). A notice of the hearing shall be published in the local official newspaper of the municipality no less than 15 and no more than 45 days prior to the date set for hearing and shall describe the general nature of the proposal. Any written information developed for the proposal prior to the hearing shall be available to the public for inspection prior to the hearing. The hearing on the proposal shall be sufficient even though the site of the related facilities, the name of the private vendor, and the specific structure of the contractual arrangements with the private vendor are not known at the time of the hearing.

Subd. 2. [EXISTING CONTRACTS.] A municipality that entered into a service contract prior to the effective date of sections 2 to 13 may exercise any of the powers authorized by those sections without complying with subdivision 1.

Sec. 10. [471A.09] [INVESTMENT OF FUNDS.]

Any sums paid to the private vendor under the service contract are not considered public funds and may be invested in any securities in which the private vendor is authorized by law to invest.

Sec. 11. [471A.10] [PUBLIC EMPLOYEE LAWS.]

Unless expressly provided therein, no state law, charter provision, or ordinance of a municipality relating to public employees shall apply to a person solely by reason of that person's employment by a private vendor in connection with services rendered under a service contract.

Sec. 12. [471A.11] [REGULATION OF RATES AND CHARGES AND PUBLIC UTILITY LAWS.]

A municipality may regulate by ordinance, contract, or otherwise the rates and charges imposed by the private vendor with respect to any capital intensive public services provided to the public under the service contract. Whether or not the imposition of such rates and charges is so regulated, no capital intensive public services provided under the service contract are subject to regulation under the provisions of chapter 216B, unless the municipality elects to subject the services to regulation under that chapter. An election for regulation may be affected by resolution of the governing body of the municipality requesting regulation and filing the resolution with the state public utilities commission.

Sec. 13. [471A.12] [POWERS; ADDITIONAL AND SUPPLEMENTAL.]

The powers conferred by sections 2 to 13 shall be liberally construed in order to accomplish their purposes and shall be in addition and supplemental to the powers conferred by any other law or charter. If any other law or charter is inconsistent with sections 2 to 13, those sections are controlling as to service contracts entered into under those sections. However, nothing in sections 2 to 13 limits or qualifies (1) any other law that a municipality must comply with to obtain any permit in connection with related facilities or (2) any performance standard or effluent limitations applicable to related facilities.

Sec. 14. Minnesota Statutes 1984, section 474.02, is amended by adding a subdivision to read:

Subd. 1h. The term "project" shall also include related facilities as defined by section 3, subdivision 11.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to local government units; authorizing the privatization of facilities for the treatment of wastewater and the furnishing of water; amending Minnesota Statutes 1984, section 474.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 471A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1892, A bill for an act relating to energy; changing the administration of the state energy code from the commissioner of energy and economic development to the commissioner of administration; amending certain provisions of the state energy code; amending Minnesota Statutes 1984, sections 16B.64, subdivision 4; and 116J.19, subdivision 8.

Reported the same back with the following amendments:

Page 2, line 3, after "*administration*" insert "*in cooperation with the commissioner of energy and economic development*"

Page 2, line 14, reinstate the stricken "*amortized over the*"

Page 2, line 14, before the period insert "*useful life of the energy saving product, device or procedure*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1894, A bill for an act relating to environment; providing terms and conditions for the administration of wastewater treatment plant construction grants and loans; appropriating money; amending Minnesota Statutes 1984, sections 115.07, sub-

division 1; 115A.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

Reported the same back with the following amendments:

Page 2, line 10, after "rule" insert "*or technical requirements*"

Page 2, line 14, after "*municipality,*" insert "*in order for the agency*"

Page 3, line 16, after the period insert "*The planning time may be extended automatically by the amount of time the agency exceeds its 90-day review under subdivision 1.*"

Page 3, line 27, delete "*117.41*" and insert "*177.41*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1910, A bill for an act relating to horse racing; prohibiting certain betting practices; prescribing penalties; amending Minnesota Statutes 1984, sections 240.25, subdivision 2; and 240.26, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 1, line 24, after "*races*" insert "*in violation of clause (1)*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1990, A bill for an act relating to local government; authorizing home rule charter or statutory cities to establish economic development districts; granting powers to authorities; amending Minnesota Statutes 1984, sections 116D.04, subdivision 1a; 117.521, subdivision 3; 272.01, subdivision 2; 273.72; 273.73, subdivisions 2 and 8; 273.86, subdivision 1; 355.11, subdivision 5; 462C.02, subdivisions 6 and 9; 465.74, subdivision 7; 471.88, subdivisions 1, 9, and 11; 474.02, subdivision 3; and 474.16, subdivi-

sion 2; Minnesota Statutes 1985 Supplement, sections 273.75, subdivision 4; 353.01, subdivision 2a; 462C.12, subdivision 2; and 472B.04; proposing coding for new law as Minnesota Statutes, chapter 458C.

Reported the same back with the following amendments:

Page 14, line 22, before "An" insert "*Except as provided in subdivision 2, clause (d),*"

Page 15, after line 12, insert:

"(d) The enabling resolution may provide that the members of the city council shall serve as the commissioners.

(e) The enabling resolution may provide for the appointment of members of the city council in excess of the number required in clauses (a), (b) and (c)."

Page 15, line 13, delete "(d)" and insert "(f)"

Page 15, line 17, after the period insert "*The city council may set the term of the commissioners who are members of the city council to coincide with their term of office as members of the city council.*"

Page 15, line 19, after "three" delete "or" and insert "*to five or seven members, or from*"

Page 40, after line 26, insert:

"Sec. 44. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after "to" insert "cities and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

S. F. No. 363, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state trea-

surer, state auditor, and secretary of state into the office of state comptroller; providing that the first comptroller would be elected in 1990; transferring the powers, responsibilities, and duties of the state auditor, the secretary of state, and the state treasurer to the state comptroller.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article V, section 1, will read:

Section 1. The executive department consists of a governor, lieutenant governor, secretary of state, auditor, (TREASURER) and attorney general, who shall be chosen by the electors of the state. The governor and lieutenant governor shall be chosen jointly by a single vote applying to both offices in a manner prescribed by law.

Article V, section 3, will read:

Sec. 3. The governor shall communicate by message to each session of the legislature information touching the state and country. He is commander-in-chief of the military and naval forces and may call them out to execute the laws, suppress insurrection and repel invasion. He may require the opinion in writing of the principal officer in each of the executive departments upon any subject relating to his duties. With the advice and consent of the senate he may appoint notaries public and other officers provided by law. He may appoint commissioners to take the acknowledgment of deeds or other instruments in writing to be used in the state. He shall take care that the laws be faithfully executed. He shall fill any vacancy that may occur in the offices of secretary of state, (TREASURER,) auditor, attorney general and the other state and district offices hereafter created by law until the end of the term for which the person who had vacated the office was elected or the first Monday in January following the next general election, whichever is sooner, and until a successor is chosen and qualified.

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. The duties and salaries of the executive officers shall be prescribed by law.

Article VIII, section 2, will read:

Sec. 2. The governor, secretary of state, (TREASURER,) auditor, attorney general and the judges of the supreme court, court of appeals and district courts may be impeached for corrupt conduct in office or for crimes and misdemeanors; but judgment shall not extend further than to removal from office and disqualification to hold and enjoy any office of honor, trust or profit in this state. The party convicted shall also be subject to indictment, trial, judgment and punishment according to law.

Article XI, section 7, will read:

Sec. 7. Public debt other than certificates of indebtedness authorized in section 6 shall be evidenced by the issuance of bonds of the state. All bonds issued under the provisions of this section shall mature not more than 20 years from their respective dates of issue and each law authorizing the issuance of bonds shall distinctly specify the purposes thereof and the maximum amount of the proceeds authorized to be expended for each purpose. (THE STATE TREASURER SHALL MAINTAIN) A separate and special state bond fund *shall be maintained* on (HIS) the official books and records. When the full faith and credit of the state has been pledged for the payment of bonds, the state auditor shall levy each year on all taxable property within the state a tax sufficient with the balance then on hand in the fund to pay all principal and interest on bonds issued under this section due and to become due within the ensuing year and to and including July 1 in the second ensuing year. The legislature by law may appropriate funds from any source to the state bond fund. The amount of money actually received and on hand pursuant to appropriations prior to the levy of the tax in any year shall be used to reduce the amount of tax otherwise required to be levied.

Article XI, section 8, will read:

Sec. 8. The permanent school fund of the state consists of (a) the proceeds of lands granted by the United States for the use of schools within each township, (b) the proceeds derived from swamp lands granted to the state, (c) all cash and investments credited to the permanent school fund and to the swamp land fund, and (d) all cash and investments credited to the internal improvement land fund and the lands therein. No portion of these lands shall be sold otherwise than at public sale, and in the manner provided by law. All funds arising from the sale or other disposition of the lands, or income accruing in any way before the sale or disposition thereof, shall be credited to the permanent school fund. Within limitations prescribed by law, the fund shall be invested to secure the maximum return consistent with the maintenance of the perpetuity of the fund. The principal of the permanent school fund shall be perpetual and inviolate forever. This does not prevent the sale of investments at less than the cost to the fund; however, all losses not offset by gains shall be repaid to the fund from the interest and dividends earned thereafter. The net interest and dividends arising

from the fund shall be distributed to the different school districts of the state in a manner prescribed by law.

A board of investment consisting of the governor, the state auditor, (THE STATE TREASURER,) the secretary of state, the lieutenant governor, and the attorney general is (HEREBY) constituted for the purpose of administering and directing the investment of all state funds. The board shall not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

Sec. 2. [TRANSITION.]

If the proposed amendment is adopted, the office of treasurer will be abolished at the conclusion of the term of the person elected at the 1986 general election.

Sec. 3. [SCHEDULE AND QUESTION.]

The proposed amendment shall be submitted at the 1986 general election. If approved, the office of treasurer will be abolished at the conclusion of the term of the person elected at the 1986 general election. The question proposed shall be:

“Shall the Minnesota Constitution be amended to abolish the office of state treasurer?”

Yes

No”

Sec. 4. [POWERS AND DUTIES TRANSFERRED.]

All the powers, duties, and responsibilities assigned by statute to the state treasurer are transferred as provided in sections 5 to 8.

Sec. 5. Minnesota Statutes 1984, section 9.011, subdivision 1, is amended to read:

Subdivision 1. The executive council consists of the governor, lieutenant governor, secretary of state, state auditor, (STATE TREASURER,) and attorney general. The governor is chairman.

Sec. 6. Minnesota Statutes 1984, section 11A.03, is amended to read:

11A.03 [STATE BOARD; MEMBERSHIP; ORGANIZATION.]

Pursuant to article XI, section 8, of the constitution of the state of Minnesota, the state board shall be composed of the governor, *lieutenant governor*, state auditor, (STATE TREASURER,) secretary of state and attorney general. The governor shall serve as ex officio chairman of the state board.

Sec. 7. Minnesota Statutes 1984, section 16A.27, subdivision 1, is amended to read:

Subdivision 1. [TREASURER TO COMPLY.] The commissioner shall, in the public interest, control the amount and manner of deposit of state funds in depositories (BY THE TREASURER. THE TREASURER SHALL COMPLY WITH THE CONTROLS).

Sec. 8. Minnesota Statutes 1984, section 16A.27, subdivision 2, is amended to read:

Subd. 2. [DAILY REPORT.] By 9:00 a.m. every business day, a depository holding a total of over \$100,000 in noninterest-bearing state deposits shall report the balances as of the close of the last business day to (THE TREASURER AND) the commissioner. The commissioner shall record the balances, send a copy of them to the legislative reference library, and report them monthly to the legislative audit commission.

Sec. 9. [EFFECTIVE DATE.]

Sections 4 to 8 are effective January 1, 1991, if by then the amendment proposed under section 3 has been adopted in accordance with the Minnesota Constitution, article IX, section 1."

Delete the title and insert:

"A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article V, sections 1, 3, and 4; article VIII, section 2; article XI, sections 7 and 8; abolishing the office of state treasurer; transferring or repealing the powers, responsibilities, and duties of the state treasurer; amending Minnesota Statutes 1984, sections 9.011, subdivision 1; 11A.03; and 16A.27, subdivisions 1 and 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred the following appointment:

ETHICAL PRACTICES BOARD

A. J. Eckstein

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

Fjoslien moved that the report of the Committee on General Legislation and Veterans Affairs relating to the appointment of A. J. Eckstein to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Fjoslien moved that the House, having advised, do now consent to and confirm the appointment of A. J. Eckstein, 411 South State, New Ulm, Brown County, effective January 6, 1986, for a term expiring on the first Monday in January, 1990. The motion prevailed and the appointment of A. J. Eckstein was confirmed by the House.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1185, 1664, 1847 and 1910 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Carlson, L.; Wynia; Boo; Haukoos and Ellingson introduced:

H. F. No. 1994, A bill for an act relating to health insurance; increasing the maximum lifetime benefit; amending Minnesota Statutes 1984, section 62E.04, subdivision 4; and Minnesota Statutes 1985 Supplement, section 62E.06, subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Pappas introduced:

H. F. No. 1995, A bill for an act relating to crimes; prohibiting the sale of candy cigarettes and other simulated tobacco products; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Dempsey, Quist, DenOuden, Rees and Ellingson introduced:

H. F. No. 1996, A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, nonpublic, and protected nonpublic; clarifying issues relating to the administration of data; amending Minnesota Statutes 1984, sections 13.38, by adding a subdivision; 13.46, by adding a subdivision; 13.84, by adding subdivisions; and 13.85, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 13.03, subdivision 3; 13.04, subdivision 2; 13.39, subdivision 3; 13.46, subdivisions 1, 2, and 7; 13.76; and 13.82, subdivision 5; repealing Minnesota Statutes 1985 Supplement, section 13.89.

The bill was read for the first time and referred to the Committee on Judiciary.

Gruenes, Quist and Sviggum introduced:

H. F. No. 1997, A bill for an act relating to human services; creating a single, unitary process for the determination of residence and financial responsibility for all human service programs; amending Minnesota Statutes 1984, section 253B.23, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 256G; repealing Minnesota Statutes 1984, sections 252A.-20, subdivisions 2 and 3; 253B.20, subdivision 4; 256.045, subdivision 10; 256.263, subdivision 2; 256.73, subdivision 4; 256.76, subdivision 2; 256B.02, subdivision 1; 256D.18; 256E.08, subdivision 7; 259.40, subdivision 5; 260.251, subdivision 3; and 261.23; Minnesota Statutes 1985 Supplement, sections 246.50, subdivision 7; 246.54; 246.55; 256.79; and 256B.02, subdivisions 2 and 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Shaver, Onnen, Valento and Thiede introduced:

H. F. No. 1998, A bill for an act proposing an amendment to the Minnesota Constitution, changing article IV, sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, and 26; article V, sections 3 and 5; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing for a unicameral legislature; providing by law for a membership of 135 members; amending Minnesota Statutes 1984, sections 2.021; and 2.031, subdivision 1.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Clark, Gruenes and Segal introduced :

H. F. No. 1999, A bill for an act relating to health ; requiring a study of the special health care needs of older women.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Vellenga introduced :

H. F. No. 2000, A bill for an act relating to housing ; requiring notification of the use of pesticides ; amending Minnesota Statutes 1984, section 504.22.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Clausnitzer introduced :

H. F. No. 2001, A bill for an act relating to occupations and professions ; architects, engineers, land surveyors, and landscape architects ; making certain technical changes related to certain licensing exceptions ; amending Minnesota Statutes 1984, sections 326.03, subdivision 2 ; and 326.06.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Carlson, D. ; Valan ; Neuenschwander ; Krueger and Dempsey introduced.

H. F. No. 2002, A bill for an act relating to transportation ; railroads ; providing that railroads must first offer property to leaseholders before selling it ; proposing coding for new law in Minnesota Statutes, chapter 222.

The bill was read for the first time and referred to the Committee on Transportation.

Schafer, Kvam and DenOuden introduced:

H. F. No. 2003, A bill for an act relating to education; appropriating money to the department of education for grants to the Little Crow Regional Tele-Network.

The bill was read for the first time and referred to the Committee on Education.

Greenfield, Clark, Wynia, Staten and Jaros introduced:

H. F. No. 2004, A bill for an act relating to human services; giving counties authority to require functionally illiterate recipients of general assistance to attend adult literacy programs; amending Minnesota Statutes 1985 Supplement, section 256D.05, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Boo and Munger introduced:

H. F. No. 2005, A bill for an act relating to labor; regulating grants to area labor-management committees; amending Minnesota Statutes 1985 Supplement, sections 179.81, subdivision 2, and by adding a subdivision; 179.84; and 179.85.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Erickson, Dyke, Thorson, Miller and McPherson introduced:

H. F. No. 2006, A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; setting the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after

disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, sections 14.48; 14.51; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Blatz; Carlson, D., and Simoneau introduced:

H. F. No. 2007, A bill for an act relating to marriage dissolution; providing that a surviving spouse benefit may be awarded to certain former spouses; amending Minnesota Statutes 1984, sections 69.62; 352.15, subdivision 1; 352B.071; 353.15; 354.10; 354A.11; 422A.24; 423.39; 423.61; 423.813; 423A.16; 424.27; and Minnesota Statutes 1985 Supplement, section 424A.02, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 518.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Kalis and Erickson introduced:

H. F. No. 2008, A bill for an act relating to transportation; removing certain restrictions on road authorities to mow rights-of-way outside of cities; repealing Minnesota Statutes 1985 Supplement, section 160.232.

The bill was read for the first time and referred to the Committee on Transportation.

McKasy and Marsh introduced:

H. F. No. 2009, A bill for an act relating to economic development; defining the duties and terms of office of the members of the world trade center board; amending Minnesota Statutes

1984, sections 44A.01, subdivision 1; 44A.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 44A.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Shaver, Quinn and Levi introduced:

H. F. No. 2010, A bill for an act relating to the state high school league; providing for the appointment of certain board members; providing penalties for recruiting students; providing for student athletics and activity eligibility after certain transfers; providing standards for student participation in non-scholastic activities; providing administrative appeals from various decisions; amending Minnesota Statutes 1984, section 129.121, subdivision 1, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

McKasy and Marsh introduced:

H. F. No. 2011, A bill for an act relating to state government; changing the name of the title of the chief staff person of the world trade center board; modifying the qualifications for that position; amending Minnesota Statutes 1984, section 44A.02.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Marsh, Kiffmeyer, Clausnitzer, Hartinger and Pappas introduced:

H. F. No. 2012, A bill for an act relating to crimes; increasing penalties for soliciting or inducing an individual under the age of 13 to practice prostitution; imposing criminal liability on persons who receive profit from prostitution if they have reason to believe it was derived from prostitution; imposing criminal penalties on persons who allow juvenile prostitutes to reside in their dwelling; amending Minnesota Statutes 1984, sections 609.322; 609.323; and 609.324, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Kahn, Jaros, Blatz and Segal introduced :

H. F. No. 2013, A bill for an act relating to health; requiring a hospital administrator to request an organ or tissue donation for purposes of the uniform anatomical gift act; proposing coding for new law in Minnesota Statutes, chapter 525.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Backlund, Osthoff, Shaver, Fjoslien and Minne introduced :

H. F. No. 2014, A bill for an act relating to elections; making changes in registration, caucuses, ballots, affidavits of candidacy and withdrawal, nominations, election certificates, and election judge qualifications; amending Minnesota Statutes 1984, sections 201.018, subdivision 2; 201.095; 201.12, subdivision 2; 201.15, subdivision 1; 202A.11, subdivision 2; 202A.16, subdivision 1; 204B.03; 204B.06, subdivision 1; 204B.07, subdivision 4; 204B.09, subdivision 1; 204B.10, by adding a subdivision; 204B.12, subdivision 3; 204B.35, subdivision 2; 204C.40, subdivision 1; 204D.11, subdivisions 3, 5, and 6; 206.71, by adding a subdivision; and 208.03.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Backlund and Long introduced :

H. F. No. 2015, A bill for an act relating to metropolitan government; changing the treatment of current value credits and modifying the cost allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1984, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9; repealing Minnesota Statutes 1984, section 473.517, subdivisions 4, 5, and 7.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Stanius, Ozment, Kiffmeyer, Knuth and Olsen, S., introduced:

H. F. No. 2016, A bill for an act relating to health; establishing a statewide cancer surveillance system; providing for rule authority to administer the system and collect and distribute data; appropriating money; amending Minnesota Statutes 1984, sections 144.68; and 144.69; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1984, sections 144.66 and 144.67.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Nelson, K.; Bishop and Blatz introduced:

H. F. No. 2017, A bill for an act relating to crimes; making certain videotaped statements admissible in proceedings involving physical or sexual abuse against a child; amending Minnesota Statutes 1984, section 595.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 260.156; and 595.02, subdivision 3.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Nelson, K., introduced:

H. F. No. 2018, A bill for an act relating to education; authorizing revenue for certain full-day kindergarten programs; requiring program approval by the commissioner of education; amending Minnesota Statutes 1985 Supplement, section 124.17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 120.

The bill was read for the first time and referred to the Committee on Education.

Quinn, Brown, Omann, Uphus and Jacobs introduced:

H. F. No. 2019, A bill for an act relating to crimes; making it a felony to cause the death of or injure an unborn child; prescribing penalties; amending Minnesota Statutes 1984, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Gutknecht, Wenzel, Erickson and Knickerbocker introduced:

H. F. No. 2020, A bill for an act relating to the state board of investment; prohibiting investment decisions made for noneconomic reasons; amending Minnesota Statutes 1984, section 11A.04.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kalis, Rose, Haukoos, Dempsey and Schoenfeld introduced:

H. F. No. 2021, A bill for an act relating to game and fish; affording protection to crows and authorizing a season on crows; amending Minnesota Statutes 1984, sections 100.26, subdivision 2; and 100.27, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Ogren and Beard introduced:

H. F. No. 2022, A bill for an act relating to taxation; property; expanding the special homestead classification for certain disabled persons; amending Minnesota Statutes 1985 Supplement, section 273.13, subdivision 22.

The bill was read for the first time and referred to the Committee on Taxes.

Backlund, Osthoff, Scheid, Fjoslien and Shaver introduced:

H. F. No. 2023, A bill for an act relating to elections; changing certain procedures in absentee voting; increasing minimum number of election judges in certain precincts; changing certain official ballots for judicial candidates; requiring vendor bonds for certain voting systems; requiring public notice and demonstration for new voting equipment; authorizing standard ballot format; limiting number of ballots at single counting centers; amending Minnesota Statutes 1984, sections 203B.08, subdivisions 1a and 3a; 204B.22, by adding a subdivision; 204B.36,

subdivision 4; 204D.14, subdivision 2; 206.56, by adding a subdivision; 206.57, by adding a subdivision; 206.58, subdivision 1; 206.82, by adding a subdivision; 206.84, subdivision 3; and 206.85, subdivision 2.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Kalis, Brown, Lieder, Krueger and Battaglia introduced:

H. F. No. 2024, A bill for an act relating to education; providing for state advances to school districts with extraordinary tax delinquency, requiring a reduction in education aids for repayment of state advances; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

The bill was read for the first time and referred to the Committee on Taxes.

Boerboom, Knuth and Johnson introduced:

H. F. No. 2025, A bill for an act relating to transportation; creating legislative transportation commission; appropriating money.

The bill was read for the first time and referred to the Committee on Transportation.

Hartinger and Marsh introduced:

H. F. No. 2026, A bill for an act relating to crime; defining the justifiable use of force by certain crime victims; expanding the rights of crime victims to be notified of and involved in criminal proceedings; protecting victims and witnesses from employer retaliation; expanding victim's rights to restitution; amending Minnesota Statutes 1984, sections 609.065; 609.10; 609.115, subdivisions 1 and 1c; 609.125; 609.135, subdivision 6; 611A.01; 611A.03, subdivision 1; 611A.06; 611A.68, subdivisions 2 and 5; and Minnesota Statutes 1985 Supplement, section 609.135, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1984, sections 611A.03, subdivision 3; and 611A.04, subdivisions 1 and 2; and Minnesota Statutes 1985 Supplement, sections 611A.04, subdivision 3; and 611A.045.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Kalis and Jennings, D., introduced:

H. F. No. 2027, A bill for an act relating to transportation; authorizing commissioner of transportation to reimburse local road authorities for unofficial detour routes; amending Minnesota Statutes 1984, section 161.24, subdivision 3.

The bill was read for the first time and referred to the Committee on Transportation.

Waltman and Sviggum introduced:

H. F. No. 2028, A bill for an act relating to crimes; making it a felony to cause the death of or injure an unborn child; prescribing penalties; amending Minnesota Statutes 1984, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

DenOuden introduced:

H. F. No. 2029, A bill for an act relating to state government; classifying certain financial information submitted to the energy and economic development authority as public; amending Minnesota Statutes 1984, section 116M.08, subdivision 17.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Fjoslien, Wenzel, Omann, Krueger and Uphus introduced:

H. F. No. 2030, A bill for an act relating to veterans; establishing a veterans' cemetery; proposing coding for new law in Minnesota Statutes, chapter 197.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

DenOuden, McDonald, Rees, Valento and Piepho introduced:

H. F. No. 2031, A bill for an act relating to crimes; making it a felony to cause the death of or injure an unborn child; prescribing penalties; amending Minnesota Statutes 1984, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Valan; Carlson, J., and Lieder introduced:

H. F. No. 2032, A bill for an act relating to the city of Hendrum; authorizing the establishment of a detached banking facility in the city of Moorhead by a state bank located in the city of Hendrum.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Voss, Minne and Rees introduced:

H. F. No. 2033, A bill for an act relating to taxation; property; changing the payment date for taxes on certain manufactured homes; amending Minnesota Statutes 1984, section 274.19, subdivision 5; Minnesota Statutes 1985 Supplement, section 274.19, subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on Taxes.

Piepho, Bennett and Frerichs introduced:

H. F. No. 2034, A bill for an act relating to state government; applying geographical limitations to the set-aside and preference programs; providing penalties; amending Minnesota Statutes 1984, sections 16B.19, subdivision 1; Minnesota Statutes 1985 Supplement, section 16B.19, subdivision 5, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Gutknecht, Knickerbocker, Simoneau, Sviggum and Dempsey introduced:

H. F. No. 2035, A bill for an act relating to retirement; police and firefighters' relief associations; standardizing auditing requirements; clarifying various duties and responsibilities in the management of local associations; amending Minnesota Statutes 1984, sections 3.85, subdivision 6; 6.72, subdivision 2; 69.011, subdivision 2; 69.021, subdivisions 4 and 7; 69.051; 69.77; 69.773, subdivision 2; 69.775; 69.80; and 424A.001, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 69.011, subdivision 1; 69.031, subdivision 1; and 356.216; proposing coding for new law in Minnesota Statutes, chapters 6 and 423A.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Boo and Munger introduced:

H. F. No. 2036, A bill for an act relating to retirement; membership of firefighters employed by the department of military affairs in the public employees police and fire fund; amending Minnesota Statutes 1984, section 353.64, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kvam, Backlund, Heap, Simoneau and Tjornhom introduced:

H. F. No. 2037, A bill for an act relating to unemployment compensation; providing that benefits resulting from acts of God are nonchargeable to an employer's account; amending Minnesota Statutes 1984, section 268.06, subdivisions 5 and 24.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Bennett introduced:

H. F. No. 2038, A bill for an act relating to commerce; requiring disclosures in used motor vehicle transactions; proposing coding for new law in Minnesota Statutes, chapter 168.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Tompkins, Ozment, Quinn, Solberg and Backlund introduced:

H. F. No. 2039, A bill for an act relating to housing; extending the interest reduction program; amending Minnesota Statutes 1985 Supplement, section 462.445, subdivision 13.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

DenOuden, Rees and McDonald introduced:

H. F. No. 2040, A bill for an act relating to environment; abolishing the waste management board and transferring certain board functions to the pollution control agency effective June 30, 1986; amending Minnesota Statutes 1984, sections 115A.13; and 115A.81, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Price, Welle, Beard, Sarna and Carlson, L., introduced:

H. F. No. 2041, A bill for an act relating to retirement; application of the rule of 85 to teachers; amending Minnesota Statutes 1985 Supplement, section 356.70, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Price, Beard, Segal, Tunheim and Wynia introduced:

H. F. No. 2042, A bill for an act relating to health; requiring the commissioner of health to develop a system of monitoring the costs and outcomes of organ transplant procedures; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Poppenhagen, McKasy and Simoneau introduced :

H. F. No. 2043, A bill for an act relating to credit unions; permitting certain groups to join existing credit unions; amending Minnesota Statutes 1984, section 52.05.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Knickerbocker, Simoneau, Sviggum, Halberg and Long introduced :

H. F. No. 2044, A bill for an act relating to courts; altering the responsibility for establishing the salary of the state court administrator and district court administrator; amending Minnesota Statutes 1984, sections 15A.083, subdivision 4; 480.13; and 484.68, subdivision 6.

The bill was read for the first time and referred to the Committee on Judiciary.

Pappas, Waltman, Bishop, McDonald and Ogren introduced :

H. F. No. 2045, A bill for an act relating to utilities; prohibiting certain employment by a public utilities commissioner; amending Minnesota Statutes 1984, section 216A.035.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Bishop, Gruenes, Halberg, Long and Pappas introduced :

H. F. No. 2046, A bill for an act relating to probate; providing for an increased sum payable to a surviving spouse by affidavit; increasing the value of a probate estate allowed for purposes of collection by affidavit; amending Minnesota Statutes 1984, sections 181.58; and 524.3-1201.

The bill was read for the first time and referred to the Committee on Judiciary.

Segal, Clark, Munger, Long and Olsen, S., introduced :

H. F. No. 2047, A bill for an act relating to health ; establishing a statewide cancer surveillance system ; providing for rule authority to administer the system and collect and distribute data ; appropriating money ; amending Minnesota Statutes 1984, sections 144.68 ; and 144.69 ; proposing coding for new law in Minnesota Statutes, chapter 144 ; repealing Minnesota Statutes 1984, sections 144.66 and 144.67.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Voss, Osthoff and Clausnitzer introduced :

H. F. No. 2048, A bill for an act relating to state government ; modifying requirements of the set-aside program ; amending Minnesota Statutes 1985 Supplement, section 16B.19, subdivision 6.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Boo, Thorson and Carlson, J., introduced :

H. F. No. 2049, A bill for an act relating to education ; vocational ; establishing area vocational technical districts ; providing for the appointment of area boards and directors ; transferring personnel and property to area districts ; specifying powers and duties of area boards ; amending Minnesota Statutes 1984, sections 136C.02, by adding subdivisions : 136C.04, subdivisions 5, 13, 14, and by adding a subdivision ; 136C.041 ; 136C.07, subdivisions 5 and 6 ; 136C.075 ; 136C.08, subdivisions 1 and 3 ; 136C.15 ; 136C.221 ; 136C.223 ; 136C.29, subdivisions 2 and 3 ; 136C.35 ; 136C.41, by adding a subdivision ; and 136C.42, subdivisions 3 and 4 ; amending Minnesota Statutes 1985 Supplement, sections 15.0597, subdivision 1 ; 136C.04, subdivision 12 ; 136C.07, subdivision 5a ; 136C.08, subdivision 2 ; 136C.26, subdivision 5 ; 136C.28, subdivision 1 ; 136C.29, subdivision 5 ; 136C.31, subdivision 1 ; 136C.36 ; 136C.44 ; and 275.125, subdivision 14a ; proposing coding for new law in Minnesota Statutes, chapter 136C ; repealing Minnesota Statutes 1984, sections 136C.05 ; 136C.07, subdivisions 1, 2, 3, and 4 ; 136C.26, subdivision 3 ; and 136C.27, subdivision 2 ; and repealing Minnesota Statutes 1985 Supplement, sections 136C.02, subdivisions 6, 8, and 9 ; 136C.41, subdivision 1a ; 136C.60 ; 136C.61 ; 136C.62 ; 136C.63 ; 136C.64 ; 136C.65 ; 136C.66 ; 136C.67 ; 136C.68 ; and 136C.69.

The bill was read for the first time and referred to the Committee on Education.

Bennett; Seaberg; Nelson, K.; Neuenschwander and Thorson introduced:

H. F. No. 2050, A bill for an act relating to theft; modifying circumstances justifying detention of suspects in business establishments; modifying immunity from liability for detention; amending Minnesota Statutes 1985 Supplement, section 629.366, subdivisions 1 and 3.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Vellenga and Cohen introduced:

H. F. No. 2051, A bill for an act relating to the city of St. Paul; permitting the establishment of special service districts in the city and providing taxing and other authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Clausnitzer, Sviggum, Boo and Jennings, L., introduced:

H. F. No. 2052, A bill for an act relating to human services; establishing principles for serving persons with mental retardation and related conditions; providing for comprehensive review of regulations and state and county relations; governing reimbursement to intermediate care facilities for persons with mental retardation and related conditions; providing for alternative correction plans for state hospitals; changing the funding formula for semi-independent living services; providing for an exception to the moratorium on construction of intermediate care facilities for persons with mental retardation and related conditions; appropriating money; amending Minnesota Statutes 1984, sections 252.025, by adding a subdivision; 252.275, subdivision 4; and 299F.011, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 252.291, subdivision 2; and 256B.092, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 1985 Supplement, section 256B.501, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Cohen introduced :

H. F. No. 2053, A bill for an act relating to real estate; limiting the cost of continuing education for retired real estate salespersons and brokers; amending Minnesota Statutes 1984, section 82.22, subdivision 13.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Vanasek, Quinn, Piper, Pappas and Segal introduced :

H. F. No. 2054, A bill for an act relating to taxation; individual income; permitting certain unmarried individuals to file joint returns; amending Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2c.

The bill was read for the first time and referred to the Committee on Taxes.

Minne, Solberg, Battaglia, Begich and Elioff introduced :

H. F. No. 2055, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Rest; Skoglund; Nelson, D.; Murphy and Price introduced :

H. F. No. 2056, A bill for an act relating to taxation; property; providing a state paid small business property tax credit; amending Minnesota Statutes 1985 Supplement, sections 273.13, subdivision 15a; 273.1392; and 276.04; proposing coding for new law in Minnesota Statutes, chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Redalen introduced:

H. F. No. 2057, A bill for an act relating to natural resources; requiring the commissioner of natural resources to accept rental payments for certain agricultural land until March 1 of each year; requiring the commissioner to make certain interest payments; amending Minnesota Statutes 1984, section 89.17; Minnesota Statutes 1985 Supplement, section 92.50.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Vanasek; Schoenfeld; Piper; Anderson, G., and Peterson introduced:

H. F. No. 2058, A bill for an act relating to individual income taxation; providing a subtraction for interest on seller sponsored family farm security loans; amending Minnesota Statutes 1985 Supplement, section 290.01, subdivision 20b.

The bill was read for the first time and referred to the Committee on Taxes.

Skoglund; Nelson, D.; Clark; Rodosovich and Nelson, K., introduced:

H. F. No. 2059, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Brinkman; Wenzel; Metzen; Carlson, L., and Jacobs introduced:

H. F. No. 2060, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Richter introduced:

H. F. No. 2061, A bill for an act relating to independent school district No. 820, Sebeka; allowing a fund transfer and a waiver of debt service limits.

The bill was read for the first time and referred to the Committee on Education.

Carlson, D.; McLaughlin; Ozment; Pauly and Clausnitzer introduced:

H. F. No. 2062, A bill for an act relating to highways; providing for transfers of ownership of certain highways between the commissioner of transportation and Hennepin county; adding new routes to the trunk highway system in substitution of existing routes; deleting routes from the trunk highway system; authorizing the commissioner of transportation to add certain routes to the trunk highway system; amending Minnesota Statutes 1984, section 161.117.

The bill was read for the first time and referred to the Committee on Transportation.

Begich, Heap, Levi, Erickson and Battaglia introduced:

H. F. No. 2063, A bill for an act relating to education; providing options for swimming classes in junior high schools; proposing coding for new law in Minnesota Statutes, chapter 126.

The bill was read for the first time and referred to the Committee on Education.

Ozment, Fjoslien and Scheid introduced:

H. F. No. 2064, A bill for an act relating to elections; providing for postponement of precinct caucuses in case of inclement weather; amending Minnesota Statutes 1984, section 202A.14, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

McEachern introduced :

H. F. No. 2065, A bill for an act relating to local government; exempting other departments or agencies of the same county from having to be billed by county recorder for certain recording transactions; amending Minnesota Statutes 1985 Supplement, section 386.77.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Nelson, D.; Price; Segal; Clark and Neuenschwander introduced :

H. F. No. 2066, A bill for an act relating to taxation; delaying the effective date of the repeal of the residential energy credit; amending Laws 1985, First Special Session chapter 14, article 1, section 61.

The bill was read for the first time and referred to the Committee on Taxes.

Simoneau, Knickerbocker, Sviggum, Gutknecht and Dempsey introduced :

H. F. No. 2067, A bill for an act relating to retirement; regulating workers' compensation offsets to public employee retirement association benefits; amending Minnesota Statutes 1984, sections 353.29, subdivision 2; 353.33, subdivision 5; 353.651, subdivision 2; 353.656, subdivision 2; Minnesota Statutes 1985 Supplement, section 176.021, subdivision 7.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kvam introduced :

H. F. No. 2068, A bill for an act relating to the city of Litchfield; permitting certain investments of municipal power agency funds.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Olsen, S., introduced:

H. F. No. 2069, A bill for an act relating to the city of Hopkins; granting the city the powers of a port authority; permitting the city to choose the name of the port authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Elioff introduced:

H. F. No. 2070, A bill for an act relating to insurance; accident and health; extending group benefits for ambulatory mental health services to cover services of licensed psychologists; amending Minnesota Statutes 1985 Supplement, section 62A.152, subdivision 2.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Solberg, Elioff and Neuenschwander introduced:

H. F. No. 2071, A bill for an act relating to local government; regulating payment of severance pay; amending Minnesota Statutes 1984, section 465.72.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Gruenes introduced:

H. F. No. 2072, A bill for an act relating to human services; providing for computer services to comply with long-term sheltered employment program evaluation criteria and for training and employment of persons with disabilities; appropriating money.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Minne introduced :

H. F. No. 2073, A bill for an act relating to natural resources ; allocating a portion of cross country license fees issued by political subdivisions to be used for maintenance of cross country ski trails ; amending Minnesota Statutes 1984, section 85.41, subdivision 5.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Anderson, R., introduced :

H. F. No. 2074, A bill for an act relating to appropriations ; requiring the commissioner to study relative responsibility in the medical assistance program ; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Shaver, Osthoff, Backlund, Scheid and Fjoslien introduced :

H. F. No. 2075, A bill for an act relating to elections ; recodifying and clarifying the laws on election contests ; amending Minnesota Statutes 1984, sections 209.01 ; 209.02 ; 209.03 ; 209.05 ; 209.06 ; 209.07 ; 209.09 ; 209.10 ; and 209.12 ; proposing coding for new law in Minnesota Statutes, chapter 209 ; repealing Minnesota Statutes 1984, sections 209.02, subdivisions 2, 3, 4, 4a, 5, 6, 7, and 8 ; 209.04 ; and 209.11.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

CALENDAR

H. F. No. 1699, A bill for an act relating to licenses ; requiring operators of campgrounds and manufactured home parks to procure a license ; amending Minnesota Statutes 1984, section 157.03.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Elioff	Kostohryz	Otis	Skoglund
Backlund	Ellingson	Krueger	Ozment	Solberg
Battaglia	Erickson	Kvam	Pappas	Sparby
Beard	Fjoslien	Levi	Pauly	Stanius
Becklin	Forsythe	Lieder	Peterson	Staten
Begich	Frederick	Marsh	Piepho	Swiggun
Bennett	Frederickson	McDonald	Piper	Thiede
Bishop	Frerichs	McEachern	Poppenhagen	Thorson
Blatz	Greenfield	McKasy	Price	Tjornhom
Boerboom	Gruenes	McLaughlin	Quinn	Tomlinson
Boo	Halberg	McPherson	Redalen	Tompkins
Brandl	Hartinger	Metzen	Rees	Tunheim
Brinkman	Hartle	Miller	Rest	Uphus
Brown	Haukoos	Munger	Rice	Valan
Burger	Jacobs	Murphy	Richter	Valento
Carlson, D.	Jaros	Nelson, D.	Riveness	Vanasek
Carlson, J.	Jennings, L.	Nelson, K.	Rose	Vellenga
Carlson, L.	Johnson	Norton	Schafer	Voss
Clausnitzer	Kahn	Ogren	Scheid	Waltman
Cohen	Kalis	Olsen, S.	Schreiber	Welle
Dempsey	Kelly	Olson, E.	Seaberg	Wenzel
DenOuden	Kiffmeyer	Omann	Segal	Wynia
Dimler	Knickerbocker	Onnen	Shaver	Zaffke
Dyke	Knuth	Osthoff	Simoneau	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 1773, A bill for an act relating to consumer protection; regulating the distribution of tobacco products; providing remedies; clarifying a definition; amending Minnesota Statutes 1984, section 609.685, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were :

Anderson, G.	Clark	Halberg	Lieder	Olson, E.
Backlund	Clausnitzer	Hartinger	Marsh	Omann
Battaglia	Cohen	Hartle	McDonald	Onnen
Beard	Dempsey	Haukoos	McEachern	Osthoff
Becklin	DenOuden	Jacobs	McKasy	Otis
Begich	Dimler	Jaros	McLaughlin	Ozment
Bennett	Dyke	Jennings, L.	McPherson	Pappas
Bishop	Elioff	Johnson	Metzen	Pauly
Blatz	Ellingson	Kahn	Miller	Peterson
Boerboom	Erickson	Kalis	Minne	Piepho
Boo	Fjoslien	Kelly	Munger	Piper
Brandl	Forsythe	Kiffmeyer	Murphy	Poppenhagen
Brinkman	Frederick	Knickerbocker	Nelson, D.	Price
Brown	Frederickson	Knuth	Nelson, K.	Quinn
Burger	Frerichs	Kostohryz	Norton	Redalen
Carlson, D.	Greenfield	Krueger	O'Connor	Rees
Carlson, J.	Gruenes	Kvam	Ogren	Rest
Carlson, L.	Gutknecht	Levi	Olsen, S.	Richter

Riveness	Segal	Staten	Tunheim	Welle
Rose	Shaver	Sviggum	Uphus	Wenzel
Sarna	Simoneau	Thiede	Valan	Wynia
Schafer	Skoglund	Thorson	Vanasek	Zaffke
Scheid	Solberg	Tjornhom	Vellenga	Spk. Jennings, D.
Schreiber	Sparby	Tomlinson	Voss	
Seaberg	Stanius	Tompkins	Waltman	

The bill was passed and its title agreed to.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Jennings in the Chair for consideration of bills pending on General Orders of the day. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following recommendations of the Committee were reported to the House:

H. F. Nos. 1725, 1035, 1806, 1826, 1871 and 1897 were recommended to pass.

H. F. Nos. 1224 and 1841 were recommended for progress.

On the motion of Levi the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll call was taken in the Committee of the Whole:

The question was taken on the motion to recommend passage of H. F. No. 1725 and the roll was called. There were 112 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Brown	Erickson	Himle	Marsh
Backlund	Burger	Fjoslien	Jacobs	McDonald
Battaglia	Carlson, D.	Forsythe	Jennings, L.	McEachern
Beard	Carlson, J.	Frederick	Johnson	McKasy
Becklin	Carlson, L.	Frederickson	Kalis	McPherson
Begich	Clausnitzer	Frerichs	Kelly	Metzen
Bennett	Cohen	Gruenes	Kiffmeyer	Miller
Bishop	Dempsey	Gutknecht	Knickerbocker	Minne
Blatz	DenOuden	Halberg	Knuth	Murphy
Boerboom	Dimler	Hartinger	Kostohryz	Nelson, K.
Boo	Dyke	Hartle	Krueger	Neuenschwander
Brandl	Elioff	Haukoos	Kvam	Norton
Brinkman	Ellingson	Heap	Levi	O'Connor

Olsen, S.	Poppenhagen	Sarna	Sviggum	Vellenga
Olson, E.	Price	Schafer	Thiede	Waltman
Omann	Quist	Scheid	Thorson	Welle
Onnen	Redalen	Schreiber	Tjornhom	Wenzel
Ozment	Rees	Scaberg	Tomlinson	Wynia
Pappas	Rest	Segal	Tompkins	Zaffke
Pauly	Richter	Shaver	Tunheim	Spk. Jennings, D.
Peterson	Riveness	Solberg	Uphus	
Piepho	Rodosovich	Sparby	Valan	
Piper	Rose	Stanius	Valento	

Those who voted in the negative were:

Anderson, G.	Kahn	Ogren	Rice	Staten
Clark	Lieder	Osthoff	Simoneau	Vanasek
Greenfield	McLaughlin	Otis	Skoglund	Voss
Jaros	Munger	Quinn		

The motion prevailed.

MOTIONS AND RESOLUTIONS

Clausnitzer moved that his name be stricken as chief author and that the name of Forsythe be added as chief author on H. F. No. 702. The motion prevailed.

Dempsey moved that the name of Bennett be added as an author on H. F. No. 1454. The motion prevailed.

Carlson, D., moved that the name of Ozment be added as chief author and Carlson, D., be shown as second author and the name of Haukoos be added as an author on H. F. No. 1546. The motion prevailed.

Ogren moved that the name of Lieder be added as an author on H. F. No. 1694. The motion prevailed.

O'Connor moved that the names of Sarna and Rice be added as authors on H. F. No. 1740. The motion prevailed.

Greenfield moved that the names of Long, Schreiber, McLaughlin and Knickerbocker be added as authors on H. F. No. 1755. The motion prevailed.

Dempsey moved that his name be stricken as chief author and that the name of Uphus be added as chief author on H. F. No. 1781. The motion prevailed.

Dempsey moved that his name be stricken as chief author and that the name of Frederickson be added as chief author on H. F. No. 1796. The motion prevailed.

Rees moved that the names of Ozment and Osthoff be added as authors on H. F. No. 1806. The motion prevailed.

Gutknecht moved that the names of Heap, Sviggum, Levi and Carlson, J., be added as authors on H. F. No. 1847. The motion prevailed.

Dyke moved that the name of Wenzel be added as an author on H. F. No. 1864. The motion prevailed.

Sviggum moved that the name of Simoneau be added as an author on H. F. No. 1873. The motion prevailed.

Sviggum moved that the names of Frederick, Richter, Sparby and Riveness be added as authors on H. F. No. 1882. The motion prevailed.

Bennett moved that the name of Jacobs be added as an author on H. F. No. 1892. The motion prevailed.

Rees moved that the name of Dyke be added as an author on H. F. No. 1899. The motion prevailed.

Nelson, D., moved that the name of Segal be added as an author on H. F. No. 1918. The motion prevailed.

Pappas moved that the names of Clark and Jaros be added as authors on H. F. No. 1921. The motion prevailed.

McLaughlin moved that the name of Clark be added as an author on H. F. No. 1934. The motion prevailed.

McLaughlin moved that the name of Segal be added as an author on H. F. No. 1935. The motion prevailed.

Segal moved that the name of Clark be added as an author on H. F. No. 1936. The motion prevailed.

Waltman moved that the name of Haukoos be added as an author on H. F. No. 1937. The motion prevailed.

Kelly moved that the names of Blatz and Bishop be added as authors on H. F. No. 1958. The motion prevailed.

Dempsey moved that the names of Tjornhom, Rees and Haukoos be added as authors on H. F. No. 1960. The motion prevailed.

Kiffmeyer moved that the name of Segal be added as an author on H. F. No. 1978. The motion prevailed.

McDonald moved that the name of Clark be added as an author on H. F. No. 1980. The motion prevailed.

Johnson moved that the names of Redalen and Waltman be added as authors on H. F. No. 1983. The motion prevailed.

McDonald moved that the name of Wenzel be added as an author on H. F. No. 1988. The motion prevailed.

Valento moved that the name of Haukoos be added as an author on H. F. No. 1990. The motion prevailed.

Thiede moved that the name of Wenzel be added as an author on H. F. No. 1992. The motion prevailed.

Clausnitzer moved that H. F. No. 1881 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on General Legislation and Veterans Affairs. The motion prevailed.

Heap moved that H. F. No. 1945 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

Halberg moved that H. F. No. 1950 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Judiciary. The motion prevailed.

Haukoos moved that H. F. No. 1952 be recalled from the Committee on Education and be re-referred to the Committee on Appropriations. The motion prevailed.

Solberg moved that H. F. No. 2071 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Thiede moved that H. F. No. 113 be returned to its author. The motion prevailed.

Richter moved that H. F. No. 1904 be returned to its author. The motion prevailed.

ADJOURNMENT

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 13, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SEVENTIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 13, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Howard C. Gravrock, House Chaplain.

The roll was called and the following members were present:

Anderson, G.	Erickson	Kvam	Pappas	Solberg
Anderson, R.	Fjoslien	Levi	Pauly	Sparby
Backlund	Forsythe	Lieder	Peterson	Stanius
Battaglia	Frederick	Long	Piepho	Staten
Beard	Frederickson	Marsh	Piper	Swiggum
Becklin	Frerichs	McDonald	Poppenhagen	Thiede
Begich	Greenfield	McEachern	Price	Thorson
Bennett	Gruenes	McKasy	Quinn	Tjornhom
Bishop	Gutknecht	McLaughlin	Quist	Tomlinson
Boerboom	Halberg	McPherson	Redalen	Tompkins
Boo	Hartinger	Metzen	Rees	Tunheim
Brandl	Hartle	Miller	Rest	Uphus
Brinkman	Haukoos	Minne	Rice	Valan
Brown	Heap	Munger	Richter	Valento
Burger	Himle	Murphy	Riveness	Vanasek
Carlson, D.	Jacobs	Nelson, D.	Rodosovich	Vellenga
Carlson, J.	Jaros	Nelson, K.	Rose	Voss
Carlson, L.	Jennings, L.	Neuenschwander	Sarna	Waltman
Clark	Johnson	Norton	Schafer	Welle
Clausnitzer	Kahn	O'Connor	Scheid	Wenzel
Cohen	Kalis	Ogren	Schreiber	Wynia
Dempsey	Kelly	Olsen, S.	Seaberg	Zaffke
DenOuden	Kiffmeyer	Omann	Segal	Spk. Jennings, D.
Dimler	Knickerbocker	Onnen	Shaver	
Dyke	Knuth	Osthoff	Sherman	
Elioff	Kostohryz	Otis	Simoneau	
Ellingson	Krueger	Ozment	Skoglund	

A quorum was present.

Olson, E., and Schoenfeld were excused.

Blatz was excused until 2:50 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1847, 1185, 1664 and 1910 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 1794, A bill for an act relating to human services; extending the deadline for permanent rules for nursing home reimbursement under the medical assistance program; amending Minnesota Statutes 1984, section 256B.431, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 144.072, subdivision 2, is amended to read:

Subd. 2. [EXISTING PROCEDURES.] The policies and procedures, including survey forms, reporting forms, and other documents developed by the commissioner of health for the purpose of conducting the inspections of care required under Code of Federal Regulations, title 42, sections 456.600 to 456.614, in effect on March 1, 1984, have the force and effect of law and shall remain in effect and govern inspections of care until June 30, (1986) 1987, unless otherwise superseded by rules adopted by the commissioner of health.

Sec. 2. Minnesota Statutes 1984, section 256B.431, subdivision 6, is amended to read:

Subd. 6. [RULES.] The commissioners of health and human services shall adopt emergency rules necessary for the implementation and enforcement of the reimbursement system established in Laws 1984, chapter 641, sections 10 to 20. The commissioner of health may adopt emergency rules relating to the licensure requirements of boarding care homes and nursing homes promulgated under sections 144.56 and 144A.08 if appropriate due to the changes in the reimbursement system. Until June 30, (1986) 1987, any emergency rules adopted by the commissioner of health or the commissioner of human services under this section shall be adopted in accordance with the provisions contained in sections 14.29 to 14.36 in effect on March 1, 1984.

Emergency rules adopted under this subdivision have the force and effect of law and remain in effect until June 30, (1986) 1987, unless otherwise superseded by rule. The procedures for the adoption of the emergency rules authorized by this subdivision shall prevail over any other act that amends chapter 14 regardless of the date of final enactment of those amendments. The rules shall be developed in consultation with the interagency board for quality assurance, provider groups and consumers and the board shall conduct public hearings as appropriate. The commissioners of health and human services shall consider all comments received and shall not implement the emergency rules until a report on the proposed rules has been presented to the senate health and human services committee and the house of representatives health and welfare committee. The rules are effective five days after publication in the State Register.

Sec. 3. [EFFECTIVE DATE.]

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

Further, delete the title and insert:

"A bill for an act relating to human services; extending the deadline for permanent rules for nursing home reimbursement under the medical assistance program; amending Minnesota Statutes 1984, sections 144.072, subdivision 2; and 256B.431, subdivision 6."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1837, A bill for an act relating to agriculture; establishing a legal assistance program for family farmers; prescribing eligibility requirements for persons to receive legal assistance; providing requirements for the legal assistance provider; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 480.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 116J.961, subdivision 8, is amended to read:

Subd. 8. [ADMINISTRATION OF ANNUAL INVESTMENT INCOME FROM THE RURAL REHABILITATION REVOLVING FUND.] (a) *To the extent allowable under the provisions of Public Law 499 of the 81st Congress, and the charter of the Minnesota rural rehabilitation corporation, the council must administer the annual investment income from the rural rehabilitation revolving fund by providing grants to the supreme court to facilitate the family farm legal support program. The council shall administer the remaining annual investment income from the rural rehabilitation revolving fund by:*

(1) administering a rural development grant program including the establishment of grant eligibility criteria, solicitation and review of grant applications, and determination of projects to be funded;

(2) developing priorities for state projects and activities related to rural development;

(3) providing technical help and rural development information services to state agencies, regional agencies, special districts, local governments, and interested citizens;

(4) preparing an annual budget and work program, and a biennial budget;

(5) preparing an annual report for the state office of the farmers home administration, United States Department of Agriculture outlining program activities and expenditures from the trust fund; and

(6) reporting to the house agriculture and senate agriculture and natural resources committees by January 31 of each year on the grants, projects, and activities of the council.

(b) The commissioner shall make agreements or contracts to distribute grant funds to projects selected by the council.

Sec. 2. Minnesota Statutes 1984, section 480.242, is amended by adding a subdivision to read:

Subd. 3a. [DISTRIBUTION OF FUNDS; LIMITATIONS.] None of the funds distributed to recipients selected in accordance with the provisions of subdivision 2 may be used for activities promoting nonjudicial changes in the law. Actions precluded include:

(1) *appearance before legislative or administrative rule-making bodies for the purpose of promoting changes in existing law, unless the appearance is requested by a member of that body; and*

(2) preparation or assisting in the preparation of written statements promoting changes in existing law intended to be entered into the record of a legislative or rulemaking procedure.

The preceding restrictions limit only those activities for which state grant or contract funding is received and in no way limit the activities of any attorney acting in a pro bono capacity.

Sec. 3. [480.250] [ADMINISTRATION OF FAMILY FARM LEGAL ASSISTANCE PROGRAM.]

Subdivision 1. [CONTRACT AND ADMINISTRATION.] The supreme court shall contract with one or more established not-for-profit organizations to provide a family farmer legal support program for financially distressed state farmers by 60 days after funding is available. The family farmer legal assistance must be directed at farm financial problems including, but not limited to, bankruptcy, discharge of debt, general debtor-creditor relations, and tax considerations. The supreme court may delegate responsibility for administering funds under the contract to the advisory committee established under section 480.242, subdivision 1.

Subd. 2. [LEGAL ASSISTANCE PROVIDER.] The supreme court may contract only with a legal assistance provider that:

- (1) is established as a not-for-profit organization under Minnesota law and tax exempt under the Internal Revenue Code;*
- (2) is organized principally to provide legal assistance;*
- (3) has a proven record of delivery of effective, high quality legal assistance;*
- (4) has experience and demonstrated expertise in addressing legal issues affecting financially distressed family farmers;*
- (5) can begin providing delivery of legal assistance to financially distressed farmers within 30 days after the contract is awarded; and*
- (6) can provide legal assistance to farmers throughout the state.*

Sec. 4. [480.252] [FAMILY FARM LEGAL ASSISTANCE PROGRAM.]

Subdivision 1. [REQUIREMENTS.] The family farmer legal support program shall provide:

(1) *legal backup and research support to attorneys throughout the state who represent financially distressed farmers;*

(2) *direct legal representation to eligible farmers in the most effective and efficient manner, giving special emphasis to enforcement of existing legal rights affecting large numbers of farmers;*

(3) *legal information to individual farmers;*

(4) *legal education and training to farmers, private attorneys, legal services staff, and the public;*

(5) *an incoming, statewide, toll free telephone line to provide the advice and referral requirements in this subdivision;*

(6) *legal advice and representation to farmers and small business operators whose loans are currently held by the Federal Deposit Insurance Corporation.*

Subd. 2. [PRIORITIES.] In meeting the requirements of subdivision 1, recipients of funds under the family farm legal support program shall adhere to the following priorities:

(1) *provide basic legal information relating to liquidation of farm property and restructuring of farm debt upon request by farmers, state and local officials, and state-supported farm management advisors;*

(2) *represent individual eligible farmers in pursuit of existing legal remedies relating to liquidation of farm property and restructuring of farm debt;*

(3) *provide legal backup and research support to private attorneys who are representing farmers in matters relating to liquidation of farm property and restructuring of farm debt, and who do not consider their own education and experience in those matters sufficient to provide highly competent representation;*

(4) *promote alternatives to legal confrontation wherever possible without jeopardizing an individual client's legal rights;*

(5) *pursue cases involving challenges to procedures followed by governmental entities in preference to those challenging the substance of legislative or administrative policies. Where possible, challenges to either procedure or policy of governmental entities shall be referred to private counsel.*

Remedies which could reasonably be expected to exhaust the resources of an average farmer, or which otherwise could be

expected to detract from the number of individuals to be served within the limits of available funds are to be avoided.

Subd. 3. [REPORT.] The legal assistance provider shall submit a report to the supreme court each six months during the contract period demonstrating that the requirements in subdivision 1 have been met.

Subd. 4. [TERMINATION.] A contract under sections 3 to 6 may be terminated by the supreme court, or denied for renewal, upon reasonable written notice and good cause shown. A contract under sections 3 to 6 must be terminated if funds are used in a manner inconsistent with section 2.

Sec. 5. [480.254] [LEGAL SUPPORT ELIGIBILITY.]

A person is eligible for legal support under section 2 if the person:

- (1) is a state resident;*
- (2) is or has been, within the preceding 24 months, a farmer, or a family shareholder of a family farm corporation;*
- (3) represents a farm business that has a debt-to-asset ratio greater than 60 percent; and*
- (4) has a reportable federal adjusted gross income of \$10,000 or less in the previous tax year and is financially unable to bind legal representation.*

Qualifying farmers and small business operators whose bank loans are held by the Federal Deposit Insurance Corporation must be given priority.

Sec. 6. [480.256] [ANNUAL REPORT.]

A legal assistance provider shall submit a report to the supreme court, the senate committee on agriculture and natural resources, and the agriculture committee of the house of representatives by January 15 after each year of funding. The report must describe the activities and expenses under the contract during the previous calendar year and a summary of additional legal representation needed by distressed family farmers.

Sec. 7. [APPROPRIATION.]

\$850,000 is appropriated from the rural rehabilitation revolving fund to the supreme court to contract for legal assistance to farmers, to be available until June 30, 1987.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day after final enactment.

Amend the title as follows :

Page 1, line 2, after "agriculture;" insert "establishing priorities for the governor's rural development council;"

Page 1, line 3, delete "assistance" and insert "support"

Page 1, line 6, after "reports;" insert "transferring funds;"

Page 1, line 7, after "money;" insert "amending Minnesota Statutes 1984, section 480.242, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 116J.961, subdivision 8;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred :

H. F. No. 1844, A bill for an act relating to crimes; making it a felony to cause the death of or injure an unborn child; prescribing penalties; amending Minnesota Statutes 1984, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

"Section 1. Minnesota Statutes 1984, section 609.035, is amended to read :

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Except as provided in (SECTION) *sections 609.251 (AND), 609.585, and sections 3, 4, and 16*, if a person's conduct constitutes more than one offense under the laws of this state, he 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. 2. Minnesota Statutes 1984, section 609.18, is amended to read :

609.18 [DEFINITION.]

For the purposes of sections 609.185 (AND), 609.19, 6, and 7, "premeditation" means to consider, plan or prepare for, or determine to commit, the act referred to prior to its commission.

Sec. 3. Minnesota Statutes 1984, section 609.21, is amended by adding a subdivision to read:

Subd. 3. [RESULTING IN DEATH TO AN UNBORN CHILD.] Whoever causes the death of an unborn child as a result of operating a vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

- (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; or*
- (3) in a negligent manner while having an alcohol concentration of 0.10 or more, is guilty of criminal vehicular operation resulting in death 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.*

Sec. 4. Minnesota Statutes 1984, section 609.21, is amended by adding a subdivision to read:

Subd. 4. [RESULTING IN INJURY TO UNBORN CHILD.] Whoever causes great bodily harm, as defined in section 609.02, subdivision 3, to an unborn child who is subsequently born alive, as a result of operating a vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

- (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; or*
- (3) in a negligent manner while having an alcohol concentration of 0.10 or more, is guilty of criminal vehicular operation resulting in injury to an unborn child 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. 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.*

Sec. 5. [609.266] [DEFINITIONS.]

The definitions in this subdivision apply to sections 3, 4, and 6 to 14:

(a) *“Unborn child” means the unborn offspring of a human being conceived, but not yet born.*

(b) *“Whoever” does not include the pregnant woman.*

Sec. 6. [609.2661] [MURDER OF AN UNBORN CHILD IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder of an unborn child in the first degree and must be sentenced to imprisonment for life:

(1) *causes the death of an unborn child with premeditation and with intent to effect the death of the unborn child or of another;*

(2) *causes the death of an unborn child while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the mother of the unborn child or another; or*

(3) *causes the death of an unborn child with intent to effect the death of the unborn child or another while committing or attempting to commit burglary, aggravated robbery, kidnapping, arson in the first or second degree, tampering with a witness in the first degree, or escape from custody.*

Sec. 7. [609.2662] [MURDER OF AN UNBORN CHILD IN THE SECOND DEGREE.]

Whoever does either of the following is guilty of murder of an unborn child in the second degree and may be sentenced to imprisonment for not more than 40 years:

(1) *causes the death of an unborn child with intent to effect the death of that unborn child or another, but without premeditation; or*

(2) *causes the death of an unborn child, without intent to effect the death of any unborn child or person, while committing or attempting to commit a felony offense other than criminal sexual conduct in the first or second degree with force or violence.*

Sec. 8. [609.2663] [MURDER OF AN UNBORN CHILD IN THE THIRD DEGREE.]

Whoever, without intent to effect the death of any unborn child or person, causes the death of an unborn child by perpetrating an act eminently dangerous to others and evincing a depraved mind, without regard for human or fetal life, is guilty of murder of an unborn child in the third degree and may be sentenced to imprisonment for not more than 25 years.

Sec. 9. [609.2664] [MANSLAUGHTER OF AN UNBORN CHILD IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of manslaughter of an unborn child in the first degree and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both:

(1) intentionally causes the death of an unborn child in the heat of passion provoked by such words or acts of another as would provoke a person of ordinary self-control under like circumstances;

(2) causes the death of an unborn child in committing or attempting to commit a misdemeanor or gross misdemeanor offense with such force or violence that death of or great bodily harm to any person or unborn child was reasonably foreseeable, and murder of an unborn child in the first or second degree was not committed thereby; or

(3) intentionally causes the death of an unborn child because the actor is coerced by threats made by someone other than the actor's co-conspirator and which cause the actor to reasonably believe that his or her act is the only means of preventing imminent death to the actor or another.

Sec. 10. [609.2665] [MANSLAUGHTER OF AN UNBORN CHILD IN THE SECOND DEGREE.]

A person who causes the death of an unborn child by any of the following means is guilty of manslaughter of an unborn child in the second degree and may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both:

(1) by the actor's culpable negligence whereby the actor creates an unreasonable risk and consciously takes chances of causing death or great bodily harm to an unborn child or a person;

(2) by shooting the mother of the unborn child with a firearm or other dangerous weapon as a result of negligently believing her to be a deer or other animal;

(3) by setting a spring gun, pit fall, deadfall, snare, or other like dangerous weapon or device; or

(4) *by negligently or intentionally permitting any animal, known by the person to have vicious propensities or to have caused great or substantial bodily harm in the past, to run uncontrolled off the owner's premises, or negligently failing to keep it properly confined.*

If proven by a preponderance of the evidence, it shall be an affirmative defense to criminal liability under clause (4) that the mother of the unborn child provoked the animal to cause the unborn child's death.

Sec. 11. [609.267] [ASSAULT OF AN UNBORN CHILD IN THE FIRST DEGREE.]

Whoever assaults a pregnant woman and inflicts great bodily harm on an unborn child who is subsequently born alive 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.

Sec. 12. [609.2671] [ASSAULT OF AN UNBORN CHILD IN THE SECOND DEGREE.]

Whoever assaults a pregnant woman and inflicts substantial bodily harm on an unborn child who is subsequently born alive 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. 13. [609.2672] [ASSAULT OF AN UNBORN CHILD IN THE THIRD DEGREE.]

Whoever does any of the following commits an assault of an unborn child in the third degree and is guilty of a misdemeanor:

(1) *commits an act with intent to cause fear in a pregnant woman of immediate bodily harm or death to the unborn child; or*

(2) *intentionally inflicts or attempts to inflict bodily harm on an unborn child who is subsequently born alive.*

Sec. 14. [609.268] [INJURY OR DEATH OF AN UNBORN CHILD IN COMMISSION OF CRIME.]

Subdivision 1. [DEATH OF AN UNBORN CHILD.] Whoever, in the commission of a felony or in a violation of sections 609.224, 609.23, or 609.231, causes the death of an unborn child is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine not more than \$30,000, or both. As used in this subdivision, "felony" does not include a violation of sections 609.185 to 609.21, 609.221 to 609.2231, or sections 6 to 10.

Subd. 2. [INJURY TO AN UNBORN CHILD.] Whoever, in the commission of a felony or in a violation of sections 609.23 or 609.231, causes great or substantial bodily harm to an unborn child who is subsequently born alive, is guilty of a felony 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. As used in this subdivision, "felony" does not include a violation of sections 609.21, 609.221 to 609.2231, or sections 11 to 13.

Sec. 15. [609.269] [EXCEPTION.]

Sections 6 to 14 do not apply to any act described in section 145.412.

Sec. 16. [609.2691] [OTHER CONVICTIONS NOT BARRED.]

Notwithstanding section 609.04, a prosecution for or conviction under sections 6 to 14 is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective August 1, 1986, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; creating certain crimes against an unborn child; prohibiting acts which cause the death of or injury to an unborn child; imposing penalties; amending Minnesota Statutes 1984, sections 609.035; 609.18; and 609.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 609."

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1882, A bill for an act relating to gasoline; changing the definition of agricultural alcohol gasoline; changing the identification marking on gasoline-alcohol blends; amending Minnesota Statutes 1985 Supplement, sections 296.01, subdivision 24; and 296.22, subdivision 13.

Reported the same back with the following amendments:

Page 1, line 19, after "*grains*," insert "*feed grains*,"

Page 2, line 5, strike "the front side" and insert "*both sides*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 1930, A bill for an act relating to public safety; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 299D.

Reported the same back with the following amendments:

Page 1, line 12, after "*basis*" insert "*; except that the state patrol may utilize a trooper's total enforcement activity, in comparison to the total enforcement activity of all troopers, in its evaluation of a trooper's performance*"

With the recommendation that when so amended the bill pass.

The report was adopted.

POINT OF ORDER

Knuth raised a point of order pursuant to rule 5.8 that H. F. No. 1930 be re-referred to the Committee on Governmental Operations. The Speaker deferred his decision on the Knuth point of order.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1794, 1844, 1882 and 1930 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Tompkins, Thorson, McPherson, Rodosovich and McEachern introduced:

H. F. No. 2076, A bill for an act relating to post-secondary education; requiring the higher education coordinating board to study financial aid counseling needs in post-secondary institutions.

The bill was read for the first time and referred to the Committee on Education.

Bishop, Scheid, Dempsey, Schreiber and Minne introduced :

H. F. No. 2077, A bill for an act relating to taxation; limiting application of the open space property tax law to facilities that do not discriminate on the basis of sex; amending Minnesota Statutes 1984, section 273.112, subdivisions 3 and 4, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Bishop, Quinn, Rees and Dempsey introduced :

H. F. No. 2078, A bill for an act relating to real estate; providing for cancellation of real estate contract depending upon when contract was executed; providing for determination of purchase price; amending Minnesota Statutes 1984, section 559.21, by adding subdivisions; and Minnesota Statutes 1985 Supplement, section 559.21, subdivisions 2a, 3, and 4.

The bill was read for the first time and referred to the Committee on Judiciary.

Backlund, Ellingson, Vanasek, Johnson and Miller introduced :

H. F. No. 2079, A bill for an act relating to judgments; clarifying the general judgment lien law; amending Minnesota Statutes 1984, section 548.09, subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary.

Thorson, Ogren, McDonald, Rose and Neuenschwander introduced :

H. F. No. 2080, A bill for an act relating to agriculture; declaring state policy relating to paddy-grown rice; regulating paddy-grown rice; providing land to be sold for wild rice production; licensing wild rice producers; authorizing rules; amending Minnesota Statutes 1985 Supplement, section 92.501, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 30; repealing Minnesota Statutes 1984, section 30.49.

The bill was read for the first time and referred to the Committee on Agriculture.

Sviggum, Onnen, Segal, Greenfield and Becklin introduced:

H. F. No. 2081, A bill for an act relating to human services; directing the commissioner of human services to create a mental health service system; setting forth requirements for a mental health service system; amending Minnesota Statutes 1984, section 245.69, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sviggum, Onnen, Segal, Greenfield and Becklin introduced:

H. F. No. 2082, A bill for an act relating to mental health; extending the patients' bill of rights to cover people receiving out-patient mental health treatment; defining a minimum grievance procedure for health care facilities; including in the patients' bill of rights the right of access to protection and advocacy services; amending Minnesota Statutes 1984, section 144.651, subdivisions 2, 4, 20, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Segal, Battaglia, Lieder, Vanasek and Neuenschwander introduced:

H. F. No. 2083, A bill for an act relating to taxation; property; providing a state paid small business property tax credit; amending Minnesota Statutes 1985 Supplement, sections 273.13, subdivision 15a; 273.1392; and 276.04; proposing coding for new law in Minnesota Statutes, chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

McKasy, Ellingson, Forsythe, Long and Onnen introduced:

H. F. No. 2084, A bill for an act relating to occupations and professions; limiting the civil liability of psychologists for the violent acts of patients; proposing coding for new law in Minnesota Statutes, chapter 148.

The bill was read for the first time and referred to the Committee on Judiciary.

Schreiber, Scheid and Clausnitzer introduced:

H. F. No. 2085, A bill for an act relating to the city of Brooklyn Park; permitting the city to establish a port authority commission.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Schreiber, Scheid and Clausnitzer introduced:

H. F. No. 2086, A bill for an act relating to food; clarifying the food handling license requirements applicable to mobile and itinerant food services; amending Minnesota Statutes 1984, sections 28A.065; 28A.09, subdivision 1; 145.031, subdivision 1; and 145.55, subdivision 1.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Kostohryz introduced:

H. F. No. 2087, A bill for an act relating to retirement; authorizing certain prior service and military service purchases.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Begich, Battaglia, Minne, Elioff and Brinkman introduced:

H. F. No. 2088, A bill for an act relating to insurance; no-fault auto; removing mandatory uninsured and underinsured motorist coverages; clarifying the law regarding these coverages; amending Minnesota Statutes 1985 Supplement, section 65B.49, subdivision 3a; repealing Laws 1985, First Special Session chapter 13, section 191.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Clausnitzer and Heap introduced:

H. F. No. 2089, A bill for an act relating to employment; regulating systems of sharing or pooling gratuities; defining service charges; amending Minnesota Statutes 1984, section 177.23, subdivision 9; Minnesota Statutes 1985 Supplement, section 177.24, subdivision 3.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Wenzel introduced:

H. F. No. 2090, A bill for an act relating to taxation; removing the additional sales tax from liquor; repealing Minnesota Statutes 1984, section 297A.02, subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

Wenzel introduced:

H. F. No. 2091, A bill for an act relating to taxation; including replacement parts in the definition of "farm machinery" for sales tax purposes; amending Minnesota Statutes 1984, section 297A.01, subdivision 15.

The bill was read for the first time and referred to the Committee on Taxes.

Neuenschwander; Lieder; Olson, E.; Jennings, L., and Beard introduced:

H. F. No. 2092, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Clausnitzer, Gruenes, Vellenga, McLaughlin and Sviggum introduced:

H. F. No. 2093, A bill for an act relating to human services; establishing demonstration projects to centralize application for all food assistance programs and to promote full participation in food assistance programs; establishing a nutrition council; establishing a coordinated nutrition data bank; requiring the full expenditure of federal funds by agencies administering the special supplemental food program for women, infants, and children; establishing a centralized unit to supervise the food stamp program; requiring food stamps to be provided within 24 hours to persons eligible for expedited issuance; requiring that waivers be obtained, if possible, from the United States government to allow certain individuals to obtain food stamps and medical assistance, to permit reimbursement of costs of home-delivered meals to the elderly, and to implement a pilot school breakfast program; appropriating money; amending Minnesota Statutes 1984, sections 145.892, subdivision 2; 145.894; and 393.07, subdivision 10, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124; 144; 245; and 256B.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Kvam, Norton, Redalen and Brinkman introduced:

H. F. No. 2094, A bill for an act relating to taxation; property; allowing certain property owners to appeal assessments directly to the tax or district court; amending Minnesota Statutes 1985 Supplement, sections 271.01, subdivision 5; and 278.01, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Carlson, D., introduced:

H. F. No. 2095, A bill for an act relating to economic development; rural development; establishing a mineral resources program; establishing a community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the department of energy and economic development; establishing the rural development council; establishing the rural development revolving fund program; establishing the state supplemental education grant program; adding

criteria for allocation of private activity bonds and available insurance authority; appropriating money; amending Minnesota Statutes 1984, sections 116.16, subdivision 5; 116J.61; 116J.873, subdivision 1; and 462.384, subdivision 7; Minnesota Statutes 1985 Supplement, sections 116.16, subdivision 2; 116M.06, subdivision 3; 474.19, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 84, 116J, and 136A; and repealing Minnesota Statutes 1985 Supplement, sections 116.13, subdivision 3a; 116J.951; 116J.955; 116J.961; and 116J.965.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Schreiber, Kvam, Himle, McKasy and Dempsey introduced:

H. F. No. 2096, A bill for an act relating to taxation; property; changing payment dates for certain property tax reimbursements; amending Minnesota Statutes 1985 Supplement, section 273.13, subdivision 15a.

The bill was read for the first time and referred to the Committee on Taxes.

Fjoslien, Wenzel, Gutknecht and Dimler introduced:

H. F. No. 2097, A bill for an act relating to charitable gambling; providing an exemption from regulation to organizations conducting certain raffles; amending Minnesota Statutes 1984, section 349.214, subdivision 2.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Nelson, D.; Rodosovich; Clark; Neuenschwander and Beard introduced:

H. F. No. 2098, A bill for an act relating to taxation; individual income; permitting certain unmarried individuals to file joint returns; amending Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2c.

The bill was read for the first time and referred to the Committee on Taxes.

Sviggum, Rodosovich, Ozment, Vellenga and Carlson, J., introduced:

H. F. No. 2099, A bill for an act relating to human services; setting forth legislative direction for child care services; authorizing a study; ensuring safe, affordable, quality child care; directing the commissioner of human services to provide information to providers and consumers of day care; suspending administrative authority until further consideration by the legislature; indemnifying counties; amending Minnesota Statutes 1984, sections 245.802, subdivision 1; 299F.011, subdivision 4a; 466.01, by adding subdivisions; 466.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245 and 466.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sviggum, Osthoff, Kostohryz, McDonald and Valento introduced:

H. F. No. 2100, A bill for an act relating to agriculture; state agricultural society; removing the time and geographical restrictions on the society's ability to impose certain restrictions on performers at the state fairgrounds; amending Minnesota Statutes 1985 Supplement, section 37.17, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Thiede, Schafer, Miller, Tunheim and Elioff introduced:

H. F. No. 2101, A bill for an act relating to education; allowing school boards to join the Minnesota rural education association; amending Minnesota Statutes 1984, section 123.33, subdivision 10.

The bill was read for the first time and referred to the Committee on Education.

McEachern; Voss; Nelson, K.; Olsen, S., and Backlund introduced:

H. F. No. 2102, A bill for an act relating to school districts; permitting certain fund transfers; amending Minnesota Statutes 1984, section 121.912, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 121.912, subdivision 1; repealing Minnesota Statutes 1985 Supplement, section 129.9121.

The bill was read for the first time and referred to the Committee on Education.

Quinn, Simoneau, Price, Murphy and Sparby introduced:

H. F. No. 2103, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Rodosovich; Clark; Jennings, L.; Beard and Sparby introduced:

H. F. No. 2104, A bill for an act relating to taxation; property; providing a state paid small business property tax credit; amending Minnesota Statutes 1985 Supplement, sections 273.13, subdivision 15a; 273.1392; and 276.04; proposing coding for new law in Minnesota Statutes, chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Ogren and Carlson, D., introduced:

H. F. No. 2105, A bill for an act relating to local government; permitting an agreement to finance library construction in McGregor.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Hartle, Erickson, Kostohryz, Heap and McEachern introduced:

H. F. No. 2106, A bill for an act relating to education; adding post-secondary vocational technical education representation on the ESV computer and UFARS advisory councils; amending Minnesota Statutes 1984, sections 121.901, subdivision 1; and 121.934, subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Education.

Rose introduced :

H. F. No. 2107, A bill for an act relating to game and fish; reimbursing nongame wildlife account for elk removal costs; appropriating money.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Gruenes, Vellenga, Sviggum and Schoenfeld introduced :

H. F. No. 2108, A bill for an act relating to human services; removing the limitation on negotiated rate payments for adult foster care arrangements; amending Minnesota Statutes 1985 Supplement, sections 256D.01, subdivision 1b; and 256D.37, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Clausnitzer introduced :

H. F. No. 2109, A bill for an act relating to human services; clarifying members of screening team for intermediate care facilities; amending Minnesota Statutes 1985 Supplement, section 256B.092, subdivision 7.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Clausnitzer introduced :

H. F. No. 2110, A bill for an act relating to education; authorizing construction at intermediate school district No. 287, Suburban Hennepin.

The bill was read for the first time and referred to the Committee on Education.

Clausnitzer introduced :

H. F. No. 2111, A bill for an act relating to the city of Medina; authorizing a payment by the city for utility construction.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

McLaughlin introduced:

H. F. No. 2112, A bill for an act relating to health; providing for comprehensive school-based health clinic projects; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Neuenschwander; Miller; Olson, E.; Frerichs and Tunheim introduced:

H. F. No. 2113, A bill for an act relating to public safety; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 299D.

The bill was read for the first time and referred to the Committee on Transportation.

Dyke, Clausnitzer, Erickson and Dimler introduced:

H. F. No. 2114, A bill for an act relating to workers' compensation; modifying definition of the maximum weekly benefit; defining spendable weekly earnings; changing the basis for calculating temporary total disability benefits, temporary partial disability benefits, economic recovery compensation and permanent total disability benefits; amending Minnesota Statutes 1984, sections 176.011, subdivision 18, and by adding a subdivision; and 176.101, subdivisions 1, 2, 3a, and 4.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Dempsey and Schafer introduced:

H. F. No. 2115, A bill for an act relating to the statute of limitations; providing a limitation on actions against land surveyors; proposing coding for new law in Minnesota Statutes, chapter 541.

The bill was read for the first time and referred to the Committee on Judiciary.

Hartinger introduced:

H. F. No. 2116, A bill for an act relating to traffic regulations; requiring school zone speed limits to be in effect at all times; amending Minnesota Statutes 1984, section 169.14, subdivision 5a.

The bill was read for the first time and referred to the Committee on Transportation.

Hartinger introduced:

H. F. No. 2117, A bill for an act relating to traffic regulations; requiring warning alarm on certain motor vehicles when backing; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 169.

The bill was read for the first time and referred to the Committee on Transportation.

Hartinger and Jennings, L., introduced:

H. F. No. 2118, A bill for an act relating to courts; regulating the jurisdiction of conciliation courts in worthless check cases; amending Minnesota Statutes 1984, section 487.30, subdivision 4; Minnesota Statutes 1985 Supplement, sections 488A.12, subdivision 3; and 488A.29, subdivision 3.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Stanisus and Bennett introduced:

H. F. No. 2119, A bill for an act relating to health; changing eligibility requirements for catastrophic health expense protection; including insurance premiums; appropriating money; amending Minnesota Statutes 1984, sections 62E.52, subdivisions 2 and 3; 62E.53, subdivisions 1 and 2; and 62E.531, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sparby and Olson, E., introduced :

H. F. No. 2120, A bill for an act relating to health; changing eligibility requirements for catastrophic health expense protection; including insurance premiums; appropriating money; amending Minnesota Statutes 1984, sections 62E.52, subdivisions 2 and 3; 62E.53, subdivisions 1 and 2; and 62E.531, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Dimler, Frederick, Frederickson, Thiede and Clausnitzer introduced :

H. F. No. 2121, A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; setting the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, sections 14.48; 14.51; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Frerichs and Frederickson introduced :

H. F. No. 2122, A bill for an act relating to agriculture; reactivating the agricultural data collection task force; declaring certain data of the task force to be "not public data"; appro-

priating money; amending Laws 1985, chapter 19, section 2, subdivisions 2 and 6, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Agriculture.

Himle; Blatz; Jennings, D.; Riveness and Neuenschwander introduced:

H. F. No. 2123, A bill for an act relating to the city of Bloomington; authorizing the city to impose certain taxes; exempting certain assessed valuation within the city from metropolitan revenue distribution; permitting the city to establish a special taxing district; authorizing the port authority of the city to pledge certain tax revenues to pay certain bonds and permitting it to develop leased land; authorizing development in accordance with the Generic EIS and Generic Indirect Source Permit.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Carlson, D., introduced:

H. F. No. 2124, A bill for an act relating to natural resources; enacting a reorganization of the department of natural resources and requiring the commissioner of natural resources to implement the same by December 31, 1986; amending Minnesota Statutes 1984, sections 84.01, subdivision 3; 84.028, subdivision 3; 84.082; 84.086; 97.41, subdivision 2; 105.40, subdivisions 1 and 2; repealing Minnesota Statutes 1984, sections 84.081; 84.083; and 89.014.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Carlson, D., introduced:

H. F. No. 2125, A bill for an act relating to environment; providing for the selection of locations for and developers of integrated facilities for the resource recovery, recycling, or stabilization and containment of hazardous waste; appropriating money; amending Minnesota Statutes 1984, sections 115A.03, subdivision 1, and by adding subdivisions; 115A.06, by adding

a subdivision; and 115A.075; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1984, section 115A.17.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Gruenes and Marsh introduced:

H. F. No. 2126, A bill for an act relating to the city of St. Cloud; authorizing the city to impose certain taxes to construct, operate, and promote a convention center facility.

The bill was read for the first time and referred to the Committee on Taxes.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1349 and 1574.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1349, A bill for an act relating to insurance; providing that insurers or health maintenance organizations must not require a public employer to contribute toward the payment of insurance premiums or charges for insurance for retired officers or employees; amending Minnesota Statutes 1984, section 471.61, subdivision 2a.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

S. F. No. 1574, A bill for an act relating to counties; making optional a county building commission law; amending Minnesota Statutes 1984, section 394.01.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

CALENDAR

H. F. No. 1725, A bill for an act relating to taxation; income; repealing the suspension of inflation adjustments; repealing Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2f.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 109 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Elioff	Knickerbocker	Onnen	Shaver
Backlund	Ellingson	Knuth	Ozment	Sherman
Battaglia	Erickson	Kostohryz	Pauly	Solberg
Beard	Fjoslien	Krueger	Peterson	Sparby
Becklin	Forsythe	Kvam	Piepho	Stanisus
Begich	Frederick	Levi	Piper	Swiggum
Bennett	Frederickson	Lieder	Poppenhagen	Thiede
Bishop	Frerichs	Marsh	Price	Thorson
Boerboom	Gruenes	McDonald	Quist	Tjornhom
Boo	Gutknecht	McEachern	Redalen	Tompkins
Brandl	Halberg	McKasy	Rees	Tunheim
Brinkman	Hartinger	McPherson	Rest	Uphus
Brown	Hartle	Metzen	Richter	Valan
Burger	Haukoos	Miller	Riveness	Valento
Carlson, J.	Heap	Minne	Rodosovich	Vellenga
Carlson, L.	Himle	Murphy	Rose	Waltman
Clausnitzer	Jacobs	Nelson, K.	Sarna	Welle
Cohen	Jennings, L.	Neuenschwander	Schafer	Wenzel
Dempsey	Johnson	Norton	Scheid	Wynia
DenOuden	Kalis	O'Connor	Schreiber	Zaffke
Dimler	Kelly	Olsen, S.	Seaberg	Spk. Jennings, D.
Dyke	Kiffmeyer	Omann	Segal	

Those who voted in the negative were:

Anderson, G.	Long	Osthoff	Rice	Staten
Clark	McLaughlin	Otis	Simoneau	Vanasek
Jares	Munger	Pappas	Skoglund	Voss
Kahn	Ogren	Quinn		

The bill was passed and its title agreed to.

H. F. No. 1035, A bill for an act relating to frauds; fixing conditions for the legal determination of fraud in property transfers; enacting the uniform fraudulent transfer act; proposing coding for new law in Minnesota Statutes, chapter 513; repealing Minnesota Statutes 1984, sections 513.20; 513.21; 513.22; 513.23; 513.24; 513.25; 513.26; 513.27; 513.28; 513.29; 513.30; 513.31; and 513.32.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kvam	Pauly	Solberg
Anderson, R.	Fjoslien	Levi	Peterson	Sparby
Backlund	Forsythe	Long	Piepho	Stanius
Battaglia	Frederick	Marsh	Piper	Staten
Beard	Frederickson	McDonald	Poppenhagen	Sviggum
Beckliu	Frerichs	McEachern	Price	Thiede
Begich	Gruenes	McLaughlin	Quinn	Thorson
Bennett	Gutknecht	McPherson	Quist	Tjornhom
Bishop	Halberg	Metzen	Redalen	Tomlinson
Boerboom	Hartinger	Miller	Rees	Tompkins
Boo	Hartle	Minne	Rest	Tunheim
Brandl	Haukoos	Munger	Rice	Uphus
Brinkman	Heap	Murphy	Richter	Valan
Brown	Himle	Nelson, D.	Riveness	Valento
Burger	Jacobs	Nelson, K.	Rodosovich	Vanasek
Carlson, J.	Jaros	Neuenschwander	Rose	Vellenga
Carlson, L.	Jennings, L.	Norton	Sarna	Voss
Clark	Johnson	O'Connor	Schafer	Waltman
Clausnitzer	Kahn	Ogren	Scheid	Welle
Cohen	Kalis	Olsen, S.	Schreiber	Wenzel
Dempsey	Kelly	Omann	Seaberg	Wynia
DenOuden	Kiffmeyer	Onnen	Segal	Zaffke
Dimler	Knickerbocker	Osthoff	Shaver	Spk. Jennings, D.
Dyke	Knuth	Otis	Sherman	
Elioff	Kostohryz	Ozment	Simoneau	
Ellingson	Krueger	Pappas	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 1806, A bill for an act relating to financial institutions; permitting state banks and credit unions to offer self-directed individual retirement accounts; amending Minnesota Statutes 1984, section 48.15, by adding a subdivision; and Minnesota Statutes 1985 Supplement, section 52.04, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brinkman	Dyke	Halberg	Kelly
Anderson, R.	Brown	Elioff	Hartinger	Kiffmeyer
Backlund	Burger	Ellingson	Hartle	Knickerbocker
Battaglia	Carlson, D.	Erickson	Haukoos	Knuth
Beard	Carlson, J.	Fjoslien	Heap	Kostohryz
Becklin	Carlson, L.	Forsythe	Himle	Krueger
Begich	Clark	Frederick	Jacobs	Kvam
Bennett	Clausnitzer	Frederickson	Jaros	Levi
Bishop	Cohen	Frerichs	Jennings, L.	Lieder
Boerboom	Dempsey	Greenfield	Johnson	Long
Boo	DenOuden	Gruenes	Kahn	Marsh
Brandl	Dimler	Gutknecht	Kalis	McDonald

McEachern	Olsen, S.	Quist	Segal	Uphus
McLaughlin	Omann	Redalen	Sherman	Valan
McPherson	Onnen	Rees	Simoneau	Valento
Metzen	Osthoff	Rest	Skoglund	Vanasek
Miller	Otis	Rice	Solberg	Vellenga
Minne	Ozment	Richter	Sparby	Voss
Munger	Pappas	Riveness	Stanius	Waltman
Murphy	Pauly	Rodosovich	Staten	Welle
Nelson, D.	Peterson	Rose	Sviggum	Wenzel
Nelson, K.	Piepho	Sarna	Thorson	Wynia
Neuenschwander	Piper	Schafer	Tjornhom	Zaffke
Norton	Poppenhagen	Scheid	Tomlinson	Spk. Jennings, D.
O'Connor	Price	Schreiber	Tompkins	
Ogren	Quinn	Seaberg	Tunheim	

The bill was passed and its title agreed to.

H. F. No. 1826, A resolution memorializing the governments of the United States and the Socialist Republic of Vietnam to take all possible actions to determine the fate of persons missing in action in Southeast Asia; joining with the families of those who are missing in the hope that their long wait will soon be over.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fjoslien	Kvam	Pappas	Skoglund
Anderson, R.	Forsythe	Levi	Pauly	Solberg
Backlund	Frederick	Lieder	Peterson	Sparby
Battaglia	Frederickson	Long	Piepho	Stanius
Beard	Frerichs	Marsh	Piper	Staten
Becklin	Greenfield	McDonald	Poppenhagen	Sviggum
Begich	Gruenes	McEachern	Price	Thiede
Bennett	Gutknecht	McKasy	Quinn	Thorson
Boerboom	Halberg	McLaughlin	Quist	Tjornhom
Boo	Hartinger	McPherson	Redalen	Tomlinson
Brandl	Hartle	Metzen	Rees	Tompkins
Brinkman	Haukoos	Miller	Rest	Tunheim
Brown	Heap	Minne	Rice	Uphus
Burger	Himle	Munger	Richter	Valan
Carlson, J.	Jacobs	Murphy	Riveness	Valento
Carlson, L.	Jaros	Nelson, D.	Rodosovich	Vanasek
Clark	Jennings, L.	Nelson, K.	Rose	Vellenga
Clausnitzer	Johnson	Neuenschwander	Sarna	Voss
Cohen	Kahn	Norton	Schafer	Waltman
Dempsey	Kalis	Ogren	Scheid	Welle
DenOuden	Kelly	Olsen, S.	Schreiber	Wenzel
Dimler	Kiffmeyer	Omann	Seaberg	Wynia
Dyke	Knickerbocker	Onnen	Segal	Zaffke
Elioff	Knuth	Osthoff	Shaver	Spk. Jennings, D.
Ellingson	Kostohryz	Otis	Sherman	
Erickson	Krueger	Ozment	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1871, A bill for an act relating to veterans; clarifying certain terms; providing for payment of compensation to certain patients and residents of state institutions; amending Minnesota Statutes 1984, section 246.151; and Minnesota Statutes 1985 Supplement, section 136C.13, subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kvam	Ozment	Simoneau
Anderson, R.	Fjoslien	Levi	Pappas	Skoglund
Backlund	Forsythe	Lieder	Pauly	Solberg
Battaglia	Frederick	Long	Peterson	Sparby
Beard	Frederickson	Marsh	Piepho	Stanius
Becklin	Frerichs	McDonald	Piper	Staten
Begich	Greenfield	McEachern	Poppenhagen	Sviggum
Bennett	Gruenes	McKasy	Price	Thiede
Bishop	Gutknecht	McLaughlin	Quinn	Thorson
Boerboom	Halberg	McPherson	Quist	Tjornhom
Boo	Hartinger	Metzen	Redalen	Tomlinson
Brandl	Hartle	Miller	Rees	Tompkins
Brinkman	Haukoos	Minne	Rest	Tunheim
Brown	Heap	Munger	Rice	Uphus
Burger	Himle	Murphy	Richter	Valan
Carlson, D.	Jacobs	Nelson, D.	Riveness	Valento
Carlson, J.	Jaros	Nelson, K.	Rodosovich	Vanasek
Carlson, L.	Jennings, L.	Neuenschwander	Rose	Vellenga
Clark	Johnson	Norton	Sarna	Voss
Clausnitzer	Kalis	O'Connor	Schafer	Waltman
Cohen	Kelly	Ogren	Scheid	Welle
Dempsey	Kiffmeyer	Olsen, S.	Schreiber	Wenzel
DenOuden	Knickerbocker	Omman	Seaberg	Wynia
Dimler	Knuth	Onnen	Segal	Zaffke
Dyke	Kostohryz	Osthoff	Shaver	Spk. Jennings, D.
Ellingson	Krueger	Otis	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1897, A bill for an act relating to commerce; motor fuel franchises; extending the temporary prohibition on certain building alterations that eliminate service bays; amending Laws 1984, chapter 444, section 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Battaglia	Begich	Boerboom	Brinkman
Anderson, R.	Beard	Bennett	Boo	Brown
Backlund	Becklin	Bishop	Brandl	Burger

Carlson, D.	Heap	McPherson	Poppenhagen	Stanius
Carlson, J.	Himle	Metzen	Price	Staten
Carlson, L.	Jacobs	Miller	Quinn	Sviggum
Clark	Jaros	Minne	Quist	Thorson
Clausnitzer	Jennings, L.	Munger	Redalen	Tjornhom
Cohen	Johnson	Murphy	Rees	Tomlinson
Dempsey	Kahn	Nelson, D.	Rest	Tompkins
Dimler	Kalis	Nelson, K.	Rice	Tunheim
Dyke	Kelly	Neuenschwander	Richter	Uphus
Elioff	Kiffmeyer	Norton	Riveness	Valan
Ellingson	Knickerbocker	O'Connor	Rodosovich	Valento
Erickson	Knuth	Ogren	Rose	Vanasek
Fjoslien	Kostohryz	Olsen, S.	Sarna	Vellenga
Forsythe	Krueger	Omann	Schafer	Voss
Frederick	Kvam	Onnen	Scheid	Waltman
Frederickson	Levi	Osthoff	Seaberg	Welle
Frerichs	Lieder	Otis	Segal	Wenzel
Greenfield	Long	Ozment	Shaver	Wynia
Gruenes	Marsh	Pappas	Sherman	Zaffke
Gutknecht	McDonald	Pauly	Simoneau	Spk. Jennings, D.
Halberg	McEachern	Peterson	Skoglund	
Hartinger	McKasy	Piepho	Solberg	
Haukoos	McLaughlin	Piper	Sparby	

The bill was passed and its title agreed to.

Scheid was excused for the remainder of today's session.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Levi, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bill as a Special Order to be acted upon immediately preceding General Orders pending for today, Thursday, February 13, 1986:

H. F. No. 1847.

SPECIAL ORDERS

H. F. No. 1847 was reported to the House.

CALL OF THE HOUSE

On the motion of Levi and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Carlson, L.	Frederickson	Kahn	McLaughlin
Backlund	Clark	Frerichs	Kalis	McPherson
Battaglia	Clausnitzer	Gruenes	Knuth	Metzen
Beard	Cohen	Gutknecht	Kestohryz	Miller
Becklin	Dempsey	Hartinger	Krueger	Munger
Begich	DenOuden	Hartle	Kvam	Murphy
Bennett	Dimler	Haukoos	Levi	Nelson, D.
Blatz	Elioff	Heap	Lieder	Nelson, K.
Boerboom	Ellingson	Jacobs	Marsh	Neuenschwander
Brown	Fjoslien	Jaros	McDonald	Norton
Burger	Forsythe	Jennings, L.	McEachern	O'Connor
Carlson, J.	Frederick	Johnson	McKasy	Ogren

Olsen, S.	Poppenhagen	Rose	Sparby	Valan
Omann	Price	Sarna	Stanius	Valento
Onnen	Quinn	Schafer	Staten	Vanasek
Otis	Quist	Seaberg	Thiede	Vellenga
Ozment	Rees	Segal	Thorson	Voss
Pappas	Rest	Shaver	Tjoanhom	Waltman
Pauly	Rice	Sherman	Tomlinson	Welle
Peterson	Richter	Simoneau	Tompkins	Wenzel
Piepho	Riveness	Skoglund	Tunheim	Spk. Jennings, D.
Piper	Rodosovich	Solberg	Uphus	

Levi moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Riveness moved to amend H. F. No. 1847, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 268.04, subdivision 2, is amended to read:

Subd. 2. "Base period" means (a) the (PERIOD OF 52 CALENDAR WEEKS IMMEDIATELY PRECEDING THE FIRST DAY OF AN INDIVIDUAL'S BENEFIT YEAR. HOWEVER, IF A CLAIMANT RECEIVED WEEKLY WORKER'S COMPENSATION FOR TEMPORARY TOTAL DISABILITY UNDER THE PROVISIONS OF CHAPTER 176 OR UNDER A SIMILAR LAW OF THE UNITED STATES FOR MORE THAN SEVEN WEEKS WITHIN THE BASE PERIOD, OR IF A CLAIMANT, WHOSE OWN SERIOUS ILLNESS CAUSED A LOSS OF CREDIT WEEKS WITHIN THE BASE PERIOD, RECEIVED COMPENSATION DUE TO THE ILLNESS FROM SOME OTHER SOURCE OR UNDER A LAW OF THIS STATE OTHER THAN CHAPTER 176 OR UNDER A SIMILAR LAW OF THE UNITED STATES FOR MORE THAN SEVEN WEEKS WITHIN THE BASE PERIOD, THE CLAIMANT'S BASE PERIOD SHALL BE LENGTHENED BY THE SAME NUMBER OF WEEKS, BUT NOT TO EXCEED 52 WEEKS, FOR WHICH THE CLAIMANT RECEIVED THE PAYMENTS. NO EXTENDED BASE PERIOD SHALL INCLUDE WAGE CREDITS UPON WHICH BENEFITS WERE ESTABLISHED AND PAID WITH RESPECT TO A PRIOR VALID CLAIM) *first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year, or*

(b) *If an individual is unable to establish a benefit year under section 268.07, subdivision 2, based upon the preceding paragraph, the last four completed calendar quarters immediately preceding the first day of an individual's benefit year.*

If during the base period an individual received workers' compensation for temporary disability under chapter 176 or un-

der similar law of the United States, or if an individual, whose own serious illness caused a loss of work for which the individual received compensation due to the illness from some other source or under a law of this state, other than chapter 176 or under a similar law of the United States, the individual's base period shall be lengthened to the extent stated as follows:

(a) If an individual was compensated, as described above, for a loss of work of 7 through 13 weeks, the original base period shall be extended to include the first calendar quarter preceding the original base period; or

(b) If an individual was compensated, as described above, for a loss of work of 20 through 26 weeks, the original base period shall be extended to include the first two calendar quarters preceding the base period; or

(c) If an individual was compensated, as described above, for a loss of work from 33 through 39 weeks, the original base period shall be extended to include the first three calendar quarters preceding the base period; or

(d) If an individual was compensated, as described above, for a loss of work from 46 through 52 weeks, the original base period shall be extended to include the first four quarters preceding the base period.

In no instance shall the base period be extended to include more than four additional calendar quarters.

No extended base period shall include wage credits upon which a claim was established and benefits were paid with respect to that valid claim. For benefit years beginning after October 1, 1987, no base period shall include wage credits upon which a claim was established and benefits were paid with respect to that valid claim.

Sec. 2. Minnesota Statutes 1984, section 268.04, subdivision 4, is amended to read:

Subd. 4. "Benefit year" with respect to any individual means the period of fifty-two calendar weeks beginning with the first day of the first week with respect to which the individual files a valid claim for benefits. *For individuals with a valid claim effective January 1, April 1, July 1, or October 1, the benefit year will be a period of 53 weeks beginning with the first week with respect to which the individual files a valid claim for benefits.*

Sec. 3. Minnesota Statutes 1984, section 268.04, subdivision 24, is amended to read:

Subd. 24. "Valid claim" with respect to any individual means a claim filed by an individual who has registered for work and

who has earned wage credits (AND ESTABLISHED CREDIT WEEKS) during his base period sufficient to entitle him to benefits under section 268.07, subdivision 2.

Sec. 4. Minnesota Statutes 1984, section 268.04, is amended by adding a subdivision to read:

Subd. 34. [CONTRIBUTION REPORT.] "Contribution report" means the summary report of wages and employment used to determine the amount of contributions due by employers on a calendar quarter basis. An auxiliary report of wages and employment broken down by business locations, when required, is part of the contribution report.

Sec. 5. Minnesota Statutes 1984, section 268.04, is amended by adding a subdivision to read:

Subd. 35. [WAGE DETAIL REPORT.] "Wage detail report" means the itemized report used to record the information required by section 268.121.

Sec. 6. Minnesota Statutes 1984, section 268.04, is amended by adding a subdivision to read:

Subd. 36. [HIGH QUARTER.] "High quarter" means the calendar quarter in an individual's base period for which the total wage credits paid to the individual during that quarter are equal to or greater than the total wage credits paid to the individual during any other calendar quarter in the individual's base period.

Sec. 7. Minnesota Statutes 1984, section 268.06, subdivision 2, is amended to read:

Subd. 2. [RATES.] Each employer shall pay contributions equal to (TWO AND SEVEN-TENTHS PERCENT FOR EACH CALENDAR YEAR PRIOR TO 1985 AND) 5-4/10 percent for 1985 and each subsequent calendar year of wages paid and wages overdue and delayed beyond the usual time of payment from him with respect to employment occurring during each calendar year, except as may be otherwise prescribed in subdivisions 3a and 4. Each employer who has an experience ratio of less than one-tenth of one percent shall pay contributions on only the first (\$8,000) \$9,500 and \$11,000 in wages paid and wages overdue and delayed beyond the usual time of payment to each employee with respect to employment occurring during (EACH) calendar (YEAR) years 1987 and 1988, respectively. For calendar year 1989 and thereafter, employers who have an experience ratio of less than one-tenth of one percent shall pay contributions on wages as provided under section 268.04, subdivision 25, clause (a).

Sec. 8. Minnesota Statutes 1984, section 268.06, subdivision 3a, is amended to read:

Subd. 3a. [RATE FOR NEW EMPLOYERS.] (a) Notwithstanding the provisions of subdivision 2, each employer, who becomes subject to this law, shall pay contributions at a rate (:)

((A) NOT EXCEEDING 2-7/10 PERCENT, THAT IS THE HIGHER OF (1) ONE PERCENT AND (2) THE STATE'S THREE-YEAR BENEFIT COST RATE FOR THE 36 CONSECUTIVE MONTH PERIOD IMMEDIATELY PRECEDING JULY 1 OF EACH YEAR FOR EACH EMPLOYER WHO BECOMES SUBJECT TO THIS LAW PRIOR TO JANUARY 1, 1984. FOR PURPOSES OF THIS CLAUSE, THE STATE'S THREE-YEAR BENEFIT COST RATE SHALL BE COMPUTED ANNUALLY AND SHALL BE DERIVED BY DIVIDING THE TOTAL DOLLAR AMOUNT OF BENEFITS PAID TO CLAIMANTS UNDER THIS LAW DURING THE 36 CONSECUTIVE CALENDAR MONTHS IMMEDIATELY PRECEDING JULY 1 OF EACH YEAR BY THE TOTAL DOLLAR AMOUNT OF WAGES SUBJECT TO CONTRIBUTIONS UNDER THIS LAW DURING THE SAME PERIOD. THE RATE SO DETERMINED SHALL BE APPLICABLE FOR THE CALENDAR YEAR NEXT SUCCEEDING EACH COMPUTATION DATE.)

((B) NOT EXCEEDING 2-7/10 PERCENT, THAT IS THE HIGHER OF (1) ONE PERCENT AND (2) THE STATE'S FOUR-YEAR BENEFIT COST RATE FOR THE 48 CONSECUTIVE MONTH PERIOD IMMEDIATELY PRECEDING JULY 1 OF EACH YEAR FOR EACH EMPLOYER, EXCEPT EMPLOYERS IN THE CONSTRUCTION INDUSTRY, AS DETERMINED BY THE COMMISSIONER, WHO BECOMES SUBJECT TO THIS LAW SUBSEQUENT TO DECEMBER 31, 1983 AND PRIOR TO JANUARY 1, 1985. FOR PURPOSES OF THIS CLAUSE, THE STATE'S FOUR-YEAR BENEFIT COST RATE SHALL BE COMPUTED AND DERIVED BY DIVIDING THE TOTAL DOLLAR AMOUNT OF BENEFITS PAID TO CLAIMANTS UNDER THIS LAW DURING THE 48 CONSECUTIVE CALENDAR MONTHS IMMEDIATELY PRECEDING JULY 1, 1983 BY THE TOTAL DOLLAR AMOUNT OF WAGES SUBJECT TO CONTRIBUTIONS UNDER THIS LAW DURING THE SAME PERIOD. THE RATE SO DETERMINED SHALL BE APPLICABLE FOR THE CALENDAR YEAR 1984.)

(EACH CONSTRUCTION EMPLOYER DESCRIBED ABOVE WHO BECOMES SUBJECT TO CHAPTER 268 SHALL PAY CONTRIBUTIONS AT A RATE, NOT EXCEEDING 7-1/2 PERCENT, THAT IS THE HIGHER OF (1) ONE PERCENT, OR (2) THE STATE'S FOUR-YEAR BENEFIT COST RATE FOR CONSTRUCTION EMPLOYERS FOR THE 48 CONSECUTIVE MONTH PERIOD IMMEDIATELY PRECEDING JULY 1, 1983. FOR PURPOSES OF THIS CLAUSE, THE STATE'S FOUR-YEAR BENEFIT COST RATE SHALL BE COMPUTED AND DERIVED BY DIVIDING THE TOTAL

DOLLAR AMOUNT OF BENEFITS PAID TO CLAIMANTS OF CONSTRUCTION EMPLOYERS, AS DETERMINED BY THE COMMISSIONER, DURING THE 48 CONSECUTIVE CALENDAR MONTHS IMMEDIATELY PRECEDING JULY 1, 1983 BY THE TOTAL DOLLAR AMOUNT OF WAGES OF CONSTRUCTION EMPLOYERS SUBJECT TO CONTRIBUTIONS DURING THE SAME PERIOD. THE RATE SO DETERMINED SHALL BE APPLICABLE FOR THE CALENDAR YEAR 1984.)

((C)) not exceeding 5-4/10 percent, that is the higher of (1) one percent and (2) the state's five-year benefit cost rate for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter for each employer, except employers in the construction industry, as determined by the commissioner who becomes subject to this law on January 1, 1985 and thereafter. For purposes of this (CLAUSE) *paragraph*, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

(b) Each construction employer described (ABOVE) *in paragraph (a)* who becomes subject to this chapter shall pay contributions at a rate, not exceeding (7-1/2 PERCENT) *the maximum rate specified in subdivision 8*, that is the higher of (1) one percent, or (2) the state's five-year benefit cost rate for construction employers for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter. For purposes of this (CLAUSE) *paragraph*, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Sec. 9. Minnesota Statutes 1984, section 268.06, subdivision 8, is amended to read:

Subd. 8. [DETERMINATION OF CONTRIBUTION RATES.] (a) For each calendar year the commissioner shall determine the contribution rate of each employer by adding the minimum rate to the *employer's* experience ratio (, EXCEPT THAT IF THE RATIO FOR THE CURRENT CALENDAR YEAR INCREASES OR DECREASES THE EXPERIENCE

RATIO FOR THE PRECEDING CALENDAR YEAR BY MORE THAN ONE AND ONE-HALF PERCENTAGE POINTS FOR 1982; AND 2-1/2 PERCENTAGE POINTS FOR 1983 AND EACH YEAR THEREAFTER, THE INCREASE OR DECREASE FOR THE CURRENT YEAR SHALL BE LIMITED TO ONE AND ONE-HALF PERCENTAGE POINTS FOR 1982; AND 2-1/2 PERCENTAGE POINTS FOR 1983 AND EACH YEAR THEREAFTER, PROVIDED THAT A SMALL BUSINESS EMPLOYER SHALL BE ELIGIBLE, UPON APPLICATION, FOR A REDUCTION IN THE LIMITATION TO 1-1/2 PERCENTAGE POINTS FOR 1983 AND EACH YEAR THEREAFTER. "SMALL BUSINESS EMPLOYER" FOR THE PURPOSE OF THIS SUBDIVISION MEANS AN EMPLOYER WITH AN ANNUAL COVERED PAYROLL OF \$250,000 OR LESS, OR FEWER THAN 20 EMPLOYEES IN THREE OF THE FOUR QUARTERS ENDING JUNE 30, OF THE PREVIOUS CALENDAR YEAR). *No employer shall have a contribution rate of more than eight percent; except that additional solvency assessments shall be added to the contribution rate as provided under paragraph (c).*

(b) The minimum rate for all employers *with an experience ratio of less than one-tenth of one percent* shall be (ONE PERCENT IF THE AMOUNT IN THE UNEMPLOYMENT COMPENSATION FUND IS LESS THAN \$80,000,000 ON JUNE 30 OF THE PRECEDING CALENDAR YEAR; OR NINE-TENTHS) *eight-tenths* of one percent (IF THE FUND IS MORE THAN \$80,000,000 BUT LESS THAN \$90,000,000) *for calendar year 1987*; (OR EIGHT-TENTHS) *and seven-tenths* of one percent (IF THE FUND IS MORE THAN \$90,000,000 BUT LESS THAN \$110,000,000; OR SEVEN-TENTHS OF ONE PERCENT IF THE FUND IS MORE THAN \$110,000,000 BUT LESS THAN \$130,000,000; OR SIX-TENTHS OF ONE PERCENT IF THE FUND IS MORE THAN \$130,000,000 BUT LESS THAN \$150,000,000; OR FIVE-TENTHS OF ONE PERCENT IF THE FUND IS MORE THAN \$150,000,000 BUT LESS THAN \$170,000,000; OR THREE-TENTHS OF ONE PERCENT IF THE FUND IS MORE THAN \$170,000,000 BUT LESS THAN \$200,000,000; OR ONE-TENTH OF ONE PERCENT IF THE FUND IS \$200,000,000 OR MORE; PROVIDED THAT NO EMPLOYER SHALL HAVE A CONTRIBUTION RATE OF MORE THAN 7.5 PERCENT) *for calendar year 1988; and six-tenths of one percent for calendar year 1989; and each calendar year thereafter. The minimum rate for employers with an experience ratio of one-tenth of one percent or more shall be one percent.*

(c) *Solvency assessments shall be added to an employer's contribution rate for each calendar year as follows: (1) if the fund balance as of December 31 of the preceding calendar year is positive and equals or exceeds the fund balance as of December 31 of the second preceding calendar year, no solvency assessment is applicable; (2) if the fund balance on December 31 of the preceding calendar year is less than the fund balance on December*

31 of the second preceding calendar year, or if the fund balance is in a deficit, each employer except those making payments in lieu of contributions under section 268.06, subdivisions 25, 26, 27, and 28 shall pay a quarterly solvency assessment of ten percent, multiplied by the contributions payable for each calendar quarter of the current year. The quarterly contributions, and the solvency assessment payments shall be combined and will be computed to the equivalent rate, notwithstanding the maximum rate established in paragraph (a).

(d) For the purposes of this section the unemployment compensation fund shall not include any moneys advanced from the Federal Unemployment Account in the unemployment trust fund in accordance with Title XII of the Social Security Act, as amended. (NO EMPLOYER FIRST ASSIGNED AN EXPERIENCE RATIO IN ACCORDANCE WITH SUBDIVISION 6, SHALL HAVE HIS CONTRIBUTION RATE INCREASED OR DECREASED BY MORE THAN ONE AND ONE-HALF PERCENTAGE POINTS FOR 1982; AND 2-1/2 PERCENTAGE POINTS FOR 1983 AND EACH YEAR THEREAFTER OVER THE CONTRIBUTION RATE ASSIGNED FOR THE PRECEDING CALENDAR YEAR IN ACCORDANCE WITH SUBDIVISION 3A, PROVIDED THAT A SMALL BUSINESS EMPLOYER SHALL BE ELIGIBLE, UPON APPLICATION, FOR A REDUCTION IN THE LIMITATION TO 1-1/2 PERCENTAGE POINTS FOR 1983 AND EACH YEAR THEREAFTER.)

Sec. 10. Minnesota Statutes 1984, section 268.07, subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] (IF THE COMMISSIONER FINDS THAT AN INDIVIDUAL HAS EARNED 15, OR MORE, CREDIT WEEKS WITHIN THE BASE PERIOD OF EMPLOYMENT IN INSURED WORK WITH ONE OR MORE EMPLOYERS, BENEFITS SHALL BE PAYABLE TO SUCH INDIVIDUAL DURING HIS BENEFIT YEAR AS FOLLOWS:)

((1) WEEKLY BENEFIT AMOUNT SHALL BE EQUAL TO 60 PERCENT OF THE FIRST \$85, 40 PERCENT OF THE NEXT \$85 AND 50 PERCENT OF THE REMAINDER OF THE AVERAGE WEEKLY WAGE OF SUCH INDIVIDUAL. THE AMOUNT SO COMPUTED IF NOT A WHOLE DOLLAR SHALL BE ROUNDED DOWN TO THE NEXT LOWER DOLLAR AMOUNT.) (a) *To establish a benefit year for unemployment compensation insurance benefits, effective after October 1, 1986, an individual must have:*

(1) *wage credits in two or more calendar quarters of their base period; and*

(2) *minimum total base period wage credits equal to the high quarter wages multiplied by 1.25; and*

(3) *high quarter wage credits of not less than \$1,300.*

(b) *Effective July 1, 1986, an individual who is unable to establish a benefit year under paragraph (a) may establish a benefit year if the individual has base period wage credits in 30 or more weeks equating at least 20 times the state minimum wage.*

(c) *If the commissioner finds that an individual has sufficient wages within the base period to establish a valid claim, the weekly benefit amount payable to the individual during the benefit year shall be equal to 1/26 of the individual's high quarter wage credits, rounded to the next lower whole dollar; except that, the maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, (1979) 1987 shall be (66-2/3) 60 percent of the average weekly wage, (EXCEPT AS PROVIDED IN CLAUSE (D)) as determined under this paragraph.*

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

((A)) (1) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

((B)) (2) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

((C)) (3) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

((D) THE MAXIMUM WEEKLY BENEFIT AMOUNT FOR CLAIMS FOR BENEFITS WHICH ESTABLISH A BENEFIT YEAR SUBSEQUENT TO JUNE 30, 1982, AND PRIOR TO JULY 1, 1983, SHALL BE \$184.)

(THE MAXIMUM WEEKLY BENEFIT AMOUNT FOR CLAIMS FOR BENEFITS WHICH ESTABLISH A BENEFIT YEAR SUBSEQUENT TO JUNE 30, 1983, AND PRIOR TO JULY 1, 1984, SHALL BE \$191.)

(THE MAXIMUM WEEKLY BENEFIT AMOUNT FOR CLAIMS FOR BENEFITS WHICH ESTABLISH A BENEFIT YEAR SUBSEQUENT TO JUNE 30, 1984, AND PRIOR TO JULY 1, 1985, SHALL BE \$198.)

((2) AN INDIVIDUAL'S MAXIMUM AMOUNT OF REGULAR BENEFITS PAYABLE IN A BENEFIT YEAR SHALL NOT EXCEED THE LESSER OF (A) 26 TIMES HIS WEEKLY BENEFIT AMOUNT OR (B) 70 PERCENT OF THE NUMBER OF CREDIT WEEKS EARNED BY SUCH AN INDIVIDUAL COMPUTED TO THE NEAREST WHOLE WEEK TIMES HIS WEEKLY BENEFIT AMOUNT.)

(d) Any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to one-third of his total base period wage credits rounded to the next lower dollar not to exceed 26 times his weekly benefit amount.

((3)) *(e) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, (INCLUDING) excluding holiday pay, payable to him with respect to such week which is in excess of \$25 or \$200 for earnings from service in the national guard or a United States military reserve unit. Jury duty pay is not considered as earnings and shall not be deducted from benefits paid. Such benefit, if not a whole dollar amount shall be rounded down to the next lower dollar amount.*

((4) THE PROVISIONS OF CLAUSES (1) AND (2) SHALL APPLY TO CLAIMS FOR BENEFITS WHICH ESTABLISH A BENEFIT YEAR SUBSEQUENT TO JUNE 30, 1983.)

Sec. 11. Minnesota Statutes 1984, section 268.07, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTION.] Notwithstanding the provisions of subdivision 2, if the commissioner finds that an individual has earned (CREDIT WEEKS) *wage credits* in seasonal employment, benefits shall be payable only if the commissioner finds that the individual has earned (15 CREDIT WEEKS) *wage credits equal to or in excess of 30 times the individual's weekly benefit amount* in employment which is not seasonal, in addition to any (CREDIT WEEKS) *wage credits* in seasonal employment. For the purposes of this subdivision, "seasonal employment" means employment with a single employer in the recreation or tourist industry which is available with the employer for 15 consecutive weeks or less each calendar year.

Sec. 12. Minnesota Statutes 1984, section 268.07, subdivision 3, is amended to read:

Subd. 3. [WHEN WAGE CREDITS ARE NOT AVAILABLE.] (1) (NO INDIVIDUAL MAY RECEIVE BENEFITS IN A BENEFIT YEAR UNLESS, SUBSEQUENT TO THE BEGINNING OF THE NEXT PRECEDING BENEFIT YEAR DURING WHICH BENEFITS WERE RECEIVED, THE INDIVIDUAL PERFORMED SERVICE IN INSURED WORK AS DEFINED IN SECTION 268.04, SUBDIVISION 17, AND EARNED REMUNERATION FOR THE SERVICE IN AN AMOUNT EQUAL TO NOT LESS THAN THE MINIMUM WAGE CREDITS REQUIRED TO QUALIFY FOR BENEFITS) *To establish a second benefit year following the expiration of an immediately preceding benefit year, an individual must have sufficient wage credits to establish a claim under the provisions of section 268.07 and must have performed services after the establishment of the expired benefit year. The services performed must have been in insured work and the wage credits from the services must equal not less than ten times the weekly benefit amount of the second benefit year.*

(2) No employer who provided 90 percent or more of the wage credits in a claimant's base period shall be charged for benefits based upon earnings of the claimant during a subsequent base period unless the employer has employed the claimant in any part of the subsequent base period.

(3) Wages paid by an employing unit may not be used for benefit purposes by any individual who (a) individually or jointly with a spouse, parent or child owns or controls directly or indirectly 25 percent or more interest in the employing unit; or (b) is the spouse, parent or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employing unit; and (c) is not permanently separated from employment.

This clause is effective when the individual has been paid four times the individual's weekly benefit amount in the current benefit year.

(4) Wages paid in seasonal employment, as defined in subdivision 2a, are not available for benefit purposes during weeks in which there is no seasonal employment available with the employer.

Sec. 13. Minnesota Statutes 1985 Supplement, section 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that the individual:

(1) has registered for work at and thereafter has continued to report to an employment office, or agent of the office, in ac-

cordance with rules the commissioner may adopt; except that the commissioner may by rule waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which the commissioner finds that compliance with the requirements would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) has made a claim for benefits in accordance with rules as the commissioner may adopt;

(3) was able to work and was available for work, and was actively seeking work. The individual's weekly benefit amount shall be reduced one-fifth for each day the individual is unable to work or is unavailable for work. Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner or in training approved pursuant to section 236 of the Trade Act of 1974, as amended.

An individual is deemed unavailable for work with respect to any week which occurs in a period when the individual is a full-time student in attendance at, or on vacation from an established school, college or university unless a majority of the (CREDIT WEEKS) *wage credits* earned in the base period were for services performed during weeks in which the student was attending school as a full-time student. *If the individual's claim for benefits is valid by application of section 268.07, subdivision 2, paragraph b, the individual shall be considered unavailable for work with respect to any week which occurs when the individual is a full-time high school student.*

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty; and

(4) has been unemployed for a waiting period of one week during which the individual is otherwise eligible for benefits under sections 268.03 to 268.24. However, payment for the waiting week shall be made to the individual after the individual has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of the individual's return to employment. No individual is required to serve a waiting period of more than one week within the one-year period subsequent to filing a valid claim and commencing with the week within which the valid claim was filed.

Sec. 14. Minnesota Statutes 1984, section 263.09, is amended by adding a subdivision to read:

Subd. 2a. An individual whose claim for benefits is valid by application of section 268.07, subdivision 2, paragraph b, and is disqualified for benefits under subdivisions 1 and 2 of this sec-

tion, other than for gross misconduct, shall be disqualified for waiting week credit and benefits. The disqualification shall continue until four calendar weeks have elapsed following the separation or refusal of suitable work or reemployment and until the individual has worked for a minimum of 20 hours in each of four calendar weeks.

Sec. 15. Minnesota Statutes 1984, section 268.10, subdivision 1, is amended to read:

Subdivision 1. [FILING.] Claims for benefits shall be made in accordance with such regulations as the commissioner may prescribe. Each employer shall post and maintain printed statements of such regulations in places readily accessible to individuals in his service and shall make available to each such individual at the time he becomes unemployed, a printed statement of such regulations. Such printed statements shall be supplied by the commissioner to each employer without cost to him.

(1) Any employer upon separation of an employee from his employment for any reason which may result in disqualification for benefits under section 268.09, shall furnish to such employee a separation notice which shall provide the employer's name, address, and employer account number as registered with the department, the employee's name and social security account number, the inclusive dates of his employment, and the reason for the separation. A copy of such separation notice shall be filed with the commissioner within seven days of such separation. The commissioner shall require each individual filing a claim for benefits to establish a benefit year to furnish the reason for separation from all employers in his base period.

(2) (UPON THE FILING, BY AN INDIVIDUAL, OF A CLAIM FOR BENEFITS, THE COMMISSIONER SHALL GIVE NOTICE TO ALL SUCH BASE PERIOD EMPLOYERS OF THE FILING OF SUCH CLAIM AND REQUEST EACH SUCH BASE PERIOD EMPLOYER, WITHIN SEVEN DAYS AFTER THE MAILING OF SUCH NOTICE, TO FURNISH THE FOLLOWING INFORMATION:)

((A) THE TOTAL WAGE CREDITS EARNED IN THE BASE PERIOD;)

((B) THE NUMBER OF CREDIT WEEKS WHICH END WITHIN THE BASE PERIOD;)

((C) THE WEEK ENDING DATES FOR EACH CALENDAR WEEK WITHIN THE BASE PERIOD IN WHICH THE INDIVIDUAL EARNED LESS THAN THE AMOUNT REQUIRED TO MAKE A CREDIT WEEK AND THE AMOUNT OF EARNINGS IN EACH SUCH WEEK;)

(D) THE REASON FOR THE SEPARATION OR SEPARATIONS OF SUCH INDIVIDUAL FROM THE EMPLOY OF THE EMPLOYER IN THE BASE PERIOD; AND)

(E) SUCH EMPLOYER'S PROTEST, IF ANY, RELATING TO THE INELIGIBILITY OR DISQUALIFICATION OF SUCH INDIVIDUAL) *Upon establishment of a benefit year, the commissioner shall give notice to the last employer for whom the individual worked and all base period employers. The employer so notified shall have seven days after the mailing of the notice to file a protest to charges or raise an issue of ineligibility or disqualification.*

(3) (IF ANY BASE PERIOD EMPLOYER, AFTER THE NOTICE OF FILING OF A CLAIM AND THE REQUEST FOR WAGE AND SEPARATION INFORMATION HAS BEEN DULY MAILED TO HIS LAST KNOWN ADDRESS, FAILS TO FILE INFORMATION AS PROVIDED BY ITEMS (A) THROUGH (E) OF CLAUSE 2 OF THIS SUBDIVISION WITHIN SEVEN DAYS, THE COMMISSIONER SHALL:)

(A) DETERMINE THE VALIDITY OF AN INDIVIDUAL'S CLAIM BASED ON THE CLAIMANT'S STATEMENTS OR ANY OTHER AVAILABLE INFORMATION. AN EMPLOYER SHALL BE LIABLE FOR A LATE FILING FEE OF NOT LESS THAN \$5 NOR MORE THAN \$25, AS THE COMMISSIONER MAY DETERMINE, TO BE PAID TO THE DEPARTMENT OF ECONOMIC SECURITY AND CREDITED TO THE CONTINGENT FUND IF HE HAS FAILED WITHOUT GOOD CAUSE TO SUBMIT THE WAGE AND SEPARATION INFORMATION AS REQUIRED IN CLAUSE 2 OF THIS SUBDIVISION WITHIN SEVEN DAYS AFTER THE REQUEST HAS BEEN DULY MAILED TO HIS LAST KNOWN ADDRESS) *If, upon review of the wage information on file with the department it is found that an employer failed to provide wage information for the claimant, the commissioner shall accept a claimant's certification as to the wages earned, based upon the claimant's records, and issue a monetary determination of validity based upon the certification. The employer who failed to report the individual's wages or filed an erroneous report shall be penalized in accordance with section 268.16 or 268.18. In the absence of fraud, if a redetermination of validity of claim based on an employer's late or erroneous report subsequently cancels or reduces the amount of benefits to which a claimant was entitled under the initial determination, the claimant shall not be required to make repayment to the fund of any benefits paid to him prior to such redetermination* (; AND)

(B). *The commissioner shall determine any issue of disqualification raised by clause (1) or by an employer's late report. If an employer fails to file a separation notice within the time limits prescribed in clause (1), any relief from benefit*

charges provided by section 268.09, subdivision 1, clause (4), shall apply to weeks of unemployment beginning after the filing of the late report.

Sec. 16. Minnesota Statutes 1984, section 268.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF CLAIMS; DETERMINATION; APPEAL.] (1) An official, designated by the commissioner, shall promptly examine each claim for benefits filed to establish a benefit year pursuant to this section, and, on the basis of the facts found, shall determine whether or not such claims are valid, and if valid, the weekly benefit amount payable, the maximum benefit amount payable during the benefit year, and the date the benefit year terminates, and this determination shall be known as the determination of validity. Notice of the determination of validity or any redetermination as provided for in clause (4) shall be promptly given the claimant and all other interested parties. (IF WITHIN THE TIME LIMITS FOR FILING A PROTEST AN EMPLOYER NOTIFIES THE DEPARTMENT THAT AN INDIVIDUAL'S WEEKLY BENEFIT AMOUNT AS DETERMINED UNDER SECTION 268.07 EXCEEDS THE INDIVIDUAL'S WEEKLY WAGES EARNED WITH THE EMPLOYER, THE INDIVIDUAL'S WEEKLY BENEFIT AMOUNT SHALL BE THE LESSER OF (1) THE WEEKLY BENEFIT AMOUNT AS DETERMINED UNDER SECTION 268.07, OR (2) THE WEEKLY BENEFIT AMOUNT WHICH IS 50 PERCENT OF THE QUOTIENT DERIVED BY DIVIDING THE TOTAL WAGE CREDITS EARNED IN THE INDIVIDUAL'S BASE PERIOD CREDIT WEEKS FROM ALL EMPLOYERS IN INSURED WORK BY THE NUMBER OF BASE PERIOD CREDIT WEEKS.) If within the time specified for the filing of (WAGE AND SEPARATION INFORMATION) as provided in subdivision 1, clause (2), the employer makes an allegation of disqualification or raises an issue of the chargeability to his account of benefits that may be paid on such claim, if the claim is valid, the issue thereby raised shall be promptly determined by said official and a notification of the determination delivered or mailed to the claimant and the employer. If an initial determination or an appeal tribunal decision or the commissioner's decision awards benefits, the benefits shall be paid promptly regardless of the pendency of any appeal period or any appeal or other proceeding which may thereafter be taken. Except as provided in clause (6), if an appeal tribunal decision modifies or reverses an initial determination awarding benefits, or if a commissioner's decision modifies or reverses an appeal decision awarding benefits, any benefits paid under the award of such initial determination or appeal tribunal decision shall be deemed erroneous payments.

(2) At any time within 24 months from the date of the filing of a valid claim for benefits by an individual, an official

of the department or any interested party or parties raises an issue of claimant's eligibility for benefits for any week or weeks in accordance with the requirements of the provisions of sections 268.03 to 268.24 or any official of the department or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the regulations of the commissioner, a determination shall be made thereon and a written notice thereof shall be given to the claimant and such other interested party or parties or benefit year employer. A determination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.

(3) A determination issued pursuant to clauses (1) and (2) shall be final unless an appeal therefrom is filed by a claimant or employer within 15 days after the mailing of the notice of the determination to his last known address or personal delivery of the notice. Every notice of determination shall contain a prominent statement indicating in clear language the method of appealing the determination, the time within which such an appeal must be made, and the consequences of not appealing the determination. A timely appeal from a determination of validity in which the issue is whether an employing unit is an employer within the meaning of this chapter or whether services performed for an employer constitute employment within the meaning of this chapter shall be subject to the provisions of section 268.12, subdivision 13.

(4) At any time within 24 months from the date of the filing of a valid claim for benefits by an individual, the commissioner on his own motion may reconsider a determination of validity made thereon and make a redetermination thereof if he finds that an error in computation or identity or the crediting of wage credits has occurred in connection therewith or if the determination was made as a result of a nondisclosure or misrepresentation of a material fact. A determination or redetermination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.

(5) However, the commissioner may in his discretion refer any disputed claims directly to a referee for hearing and determination in accordance with the procedure outlined in subdivision 3 and the effect and status of such determination in such a case shall be the same as though the matter had been determined upon an appeal to the tribunal from an initial determination.

(6) If a referee's decision affirms an initial determination awarding benefits or the commissioner affirms an appeal tribunal decision awarding benefits, the decision, if finally reversed, shall not result in a disqualification and benefits paid shall neither be deemed overpaid nor shall they be considered in

determining any individual employer's future contribution rate under section 268.06.

Sec. 17. Minnesota Statutes 1984, section 268.12, subdivision 8, is amended to read:

Subd. 8. [RECORDS; REPORTS.] (1) Each employing unit shall keep true and accurate work records for such periods of time and containing such information as the commissioner may prescribe. Such records shall be open to inspection, audit, and verification, and be subject to being copied by any authorized representative of the commissioner at any reasonable time and as often as may be necessary. The commissioner, appeal referee, or any other duly authorized representative of the commissioner, may require from any employing unit any sworn or unsworn reports, with respect to persons employed by it, which the commissioner, appeal referee, or any other duly authorized representative of the commissioner deems necessary for the effective administration of sections 268.03 to 268.24 (, PROVIDED THAT QUARTERLY CONTRIBUTION AND WAGE REPORT FORMS SHALL INCLUDE THE EMPLOYEE'S NAME, SOCIAL SECURITY NUMBER, AND TOTAL WAGES PAID TO THE EMPLOYEE).

(2) The commissioner may cause to be made such summaries, compilations, photographs, duplications, or reproductions of any records, reports, or transcripts thereof as he may deem advisable for the effective and economical preservation of the information contained therein, and such summaries, compilations, photographs, duplications or reproductions, duly authenticated, shall be admissible in any proceeding under sections 268.03 to 268.24, if the original record or records would have been admissible therein. Notwithstanding any restrictions contained in section 16B.50, except restrictions as to quantity, the commissioner is hereby authorized to duplicate, on equipment furnished by the federal government or purchased with funds furnished for that purpose by the federal government, records, reports, summaries, compilations, instructions, determinations, or any other written matter pertaining to the administration of the Minnesota economic security law.

(3) Notwithstanding any inconsistent provisions elsewhere, the commissioner may provide for the destruction or disposition of any records, reports, transcripts, or reproductions thereof, or other papers in his custody, which are more than two years old, the preservation of which is no longer necessary for the establishment of contribution liability or benefit rights or for any purpose necessary to the proper administration of sections 268.03 to 268.24, including any required audit thereof, provided, that the commissioner may provide for the destruction or disposition of any record, report, or transcript, or other paper in his custody which has been photographed, duplicated, or reproduced in the manner provided in clause (2).

(4) Notwithstanding the provisions of the Minnesota State Archives Act the commissioner shall with the approval of the legislative auditor destroy all benefit checks and benefit check authorization cards that are more than two years old and no person shall make any demand, bring any suit or other proceeding to recover from the state of Minnesota any sum alleged to be due him on any claim for benefits after the expiration of two years from the date of filing such claim.

Sec. 18. Minnesota Statutes 1984, section 268.121, is amended to read:

268.121 [WAGE REPORTING.]

Beginning on April 1, 1984, each employer subject to this chapter shall provide the commissioner with a quarterly report of the wages (, AS DEFINED IN SECTION 268.04, SUBDIVISION 25,) paid to each employee of that employer covered by this chapter. (THE COMMISSIONER SHALL PROVIDE THE LEGISLATURE WITH HIS RECOMMENDATIONS FOR STATUTORY CHANGES TO FULLY IMPLEMENT THIS SECTION NO LATER THAN JANUARY 1, 1983.) *The report must include the employee's name, social security number, and total wages paid to the employee. For the purpose of this section, "wages paid" includes wages actually or constructively paid and wages overdue and delayed beyond the usual time of payment.*

Sec. 19. Minnesota Statutes 1984, section 268.15, subdivision 3, is amended to read:

Subd. 3. [CONTINGENT ACCOUNT.] There is hereby created in the state treasury a special account, to be known as the economic security contingent account, which shall not lapse nor revert to any other fund. Such account shall consist of all moneys appropriated therefor by the legislature, all moneys in the form of interest and penalties collected pursuant to (SECTION) sections 268.16 and 268.18, and all moneys received in the form of voluntary contributions to this account and interest thereon. All moneys in such account shall be supplemental to all federal moneys that would be available to the commissioner but for the existence of this account. Moneys in this account are hereby appropriated to the commissioner and shall be expended in accordance with the provisions of section 3.30, in connection with the administration of sections 268.03 to 268.24. *Commencing with the fiscal year beginning July 1, 1985, the commissioner is authorized to expend annually, in addition to any federal moneys and without reference to section 3.30, the sum of \$500,000, from available moneys in this fund which are derived from interest and penalties collected pursuant to sections 268.16 and 268.18 and moneys received in the form of voluntary payments and interest thereon, for the purpose of providing for: (1) the investigation of fraud on the part of any person in claiming or obtaining benefits under sections 268.03 to 268.24 or fraud on*

the part of any employer in attempting to avoid or reduce any contribution or other payment required from an employing unit under those sections; (2) determination of benefit overpayments and contribution underpayments for reasons other than fraud; (3) recovery of moneys due to the commissioner as a result of clauses (1) and (2); (4) the verification of work search efforts especially in areas with robust economies; and (5) those special services which are reasonably directed toward assisting the unemployed in returning to suitable work. Whenever the commissioner expends moneys from said contingent account for the proper and efficient administration of the Minnesota economic security law for which funds have not yet been made available by the federal government, such moneys so withdrawn from the contingent account shall be replaced as hereinafter provided. Upon the deposit in the economic security administration fund of moneys which are received in reimbursement of payments made as above provided for said contingent account, the commissioner shall certify to the state treasurer the amount of such reimbursement and thereupon the state treasurer shall transfer such amount from the economic security administration fund to said contingent account. All moneys in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury. The state treasurer shall be liable on his official bond for the faithful performance of his duties in connection with the economic security contingent account provided for herein. Notwithstanding anything to the contrary contained herein, on June 30 of each year, except 1982, all amounts in excess of \$300,000 in this account shall be paid over to the unemployment compensation fund established under section 268.05 and administered in accordance with the provisions set forth therein.

Sec. 20. Minnesota Statutes 1984, section 268.16, subdivision 2, is amended to read:

Subd. 2. [REPORTS; DELINQUENCIES; PENALTIES.]
((1)) (a) Any employer who knowingly fails to make and submit to the department of economic security any *contribution report (OF WAGES PAID BY OR DUE FROM HIM FOR INSURED WORK IN THE MANNER AND)* at the time (SUCH) *the report is required by (REGULATIONS) rules* prescribed by the commissioner shall pay to the department of economic security for the contingent account a penalty in the amount of one and one-half percent of contributions accrued during the period for which (SUCH) *the report is required, for each month from and after (SUCH) the due date until (SUCH) the report is properly made and submitted to the department of economic security.* In no case shall the amount of the penalty imposed hereby be less than \$5 per month. The maximum penalty imposed hereby shall be \$25 or the amount determined at the rate of 1-1/2 percent per month, whichever is greater. (ANY EMPLOYING UNIT WHICH FAILS TO MAKE AND SUBMIT

TO THE COMMISSIONER ANY REPORT, OTHER THAN ONE OF WAGES PAID OR PAYABLE FOR INSURED WORK, AS AND WHEN REQUIRED BY THE REGULATIONS OF THE COMMISSIONER, SHALL BE SUBJECT TO A PENALTY IN THE SUM OF \$10 PAYABLE TO THE DEPARTMENT OF ECONOMIC SECURITY FOR THE CONTINGENT ACCOUNT. ALL SUCH PENALTIES SHALL BE IN ADDITION TO INTEREST AND ANY OTHER PENALTIES PROVIDED FOR BY SECTIONS 268.03 TO 268.24 AND SHALL BE COLLECTED AS PROVIDED BY SECTION 268.161.)

(2) (b) If any employing unit required by sections 268.03 to 268.24 to make and submit contribution reports shall fail to do so within the time prescribed by these sections or by regulations under the authority thereof, or shall make, willfully or otherwise, an incorrect, false or fraudulent contribution report, he shall, on the written demand of the commissioner, make such contribution report, or corrected report, within ten days after the mailing of such written demand and at the same time pay the whole contribution, or additional contribution, due on the basis thereof. If such employer shall fail within that time to make such report, or corrected report, the commissioner shall make for him a report, or corrected report, from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a contribution on the basis thereof, which contribution, plus penalties and interest which thereafter accrued (less any payments theretofore made) shall be paid within ten days after the commissioner has mailed to such employer a written notice of the amount thereof and demand for its payment. Any such contribution report or assessment made by the commissioner on account of the failure of the employer to make a report or corrected report shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto. Whenever such delinquent employer shall file a report or corrected report, the commissioner may, if he finds it substantially correct, substitute it for the commissioner's report.

(c) Any employer who fails to file the wage detail report required by section 268.121 shall pay to the department of jobs and training for the contingent account a penalty of one-tenth of one percent of total wages paid and wages due but not paid during the period for each month the report is delinquent. The penalty shall not be assessed if the wage detail report is properly made and filed within 30 days after a demand for the report is mailed to the employer's address of record. In no case shall the amount of the penalty, if assessed, be less than \$25. Penalties due under this subdivision may be waived where good cause for late filing is found by the commissioner.

(d) Any employer who files the wage detail report required by section 268.121 but knowingly fails to include any of the re-

quired information or knowingly enters erroneous information shall be subject to a penalty of \$25 for each individual for whom the information is missing or erroneous.

(e) Any employing unit which fails to make and submit to the commissioner any report, other than a contribution report or wage detail report, as and when required by rule, shall be subject to a penalty in the sum of \$25 payable to the department of economic security for the contingent account.

(f) Penalties provided for in paragraphs (a), (c), (d) and (e) shall be in addition to interest and any other penalties imposed by sections 268.03 to 268.24 and shall be collected as provided by section 268.161.

Sec. 21. Minnesota Statutes 1984, section 268.16, is amended by adding a subdivision to read:

Subd. 3a. [COSTS.] Any employing unit which fails to make and submit reports or pay any contributions or reimbursement when due shall be liable to the department for any recording fees, sheriff fees, or litigation costs incurred in the collection of the amounts due or obtaining the reports.

If any check or money order, in payment of any amount due under this chapter, is not honored when presented for payment, the employing unit will be assessed a fee of \$20 which shall be in addition to any other fees provided by this chapter. The fee shall be assessed regardless of the amount of the check or money order or the reason for non-payment with the exception of processing errors made by a financial institution.

Costs due under this subdivision shall be paid to the department and credited to the employment services administration fund.

Sec. 22. [REPEALER.]

Minnesota Statutes 1984, section 268.04, subdivisions 29 and 30 are repealed.

Sec. 23. [EFFECTIVE DATES.]

Sections 1, 2, 3, 6, 10, 11, 12, 13, 14, 15, 16, 17, and 22 are effective October 1, 1986, for benefit years subsequent to September 30, 1986."

Further, delete the title and insert:

"A bill for an act relating to unemployment compensation; regulating the payment, amount, and eligibility for benefits; setting employer contribution rates; making administrative changes; providing a penalty; amending Minnesota Statutes

1984, sections 268.04, subdivisions 2, 4, 24, and by adding subdivisions; 268.06, subdivisions 2, 3a, and 8; 268.07, subdivisions 2, 2a, and 3; 268.09, by adding a subdivision; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121; 268.15, subdivision 3; 268.16, subdivision 2, and by adding a subdivision; Minnesota Statutes 1985 Supplement, section 268.08, subdivision 1; repealing Minnesota Statutes 1984, section 268.04, subdivisions 29 and 30."

A roll call was requested and properly seconded.

The question was taken on the Riveness amendment and the roll was called.

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

There were 49 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Anderson, C.	Knuth	Munger	Peterson	Skoglund
Beard	Kostohryz	Murphy	Piper	Solberg
Brandl	Krueger	Nelson, D.	Price	Sparby
Brown	Lieder	Nelson, K.	Quinn	Tomlinson
Carlson, L.	Long	Neuenschwander	Rest	Tunheim
Clark	McDonald	Norton	Riveness	Vanasek
Cohen	McEachern	O'Connor	Rodosovich	Vellenga
Ellingson	McLaughlin	Ogren	Sarna	Wenzel
Jennings, L.	Metzen	Otis	Segal	Wynia
Kahn	Minne	Pappas	Simoneau	

Those who voted in the negative were:

Anderson, R.	DenOuden	Haukoos	Onnen	Sherman
Backlund	Dimler	Heap	Osthoff	Stanius
Battaglia	Dyke	Himle	Ozment	Staten
Becklin	Eloff	Jacobs	Pauly	Sviggum
Begich	Erickson	Johnson	Piepho	Thiede
Bennett	Fjoslien	Kalis	Poppenhagen	Thorson
Bishop	Forsythe	Kiffmeyer	Quist	Tjornhom
Blatz	Frederick	Knickerbocker	Redalen	Tompkins
Boerboom	Frederickson	Kvam	Rees	Uphus
Boo	Frerichs	Levi	Rice	Valan
Brinkman	Greenfield	Marsh	Richter	Valento
Burger	Gruenes	McKasy	Rose	Voss
Carlson, D.	Gutknecht	McPherson	Schafer	Waltman
Carlson, J.	Halberg	Miller	Schreiber	Welle
Clausnitzer	Hartinger	Olsen, S.	Seaberg	Zaffke
Dempsey	Hartle	Omann	Shaver	Spk. Jennings, D.

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

Beard moved to amend H. F. No. 1847, as follows:

Page 10, line 13, after "years" insert "and notification from the employer at least six months prior to any scheduled layoff,

of such layoff or, upon hiring for individuals hired less than six months prior to the scheduled layoff"

A roll call was requested and properly seconded.

The question was taken on the Beard amendment and the roll was called.

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

There were 36 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Battaglia	Greenfield	Munger	Otis	Sarna
Beard	Jacobs	Murphy	Pappas	Simoneau
Begich	Jaros	Nelson, D.	Piper	Solberg
Carlson, L.	Kahn	Norton	Price	Staten
Clark	Kostohryz	O'Connor	Rest	Voss
Cohen	McLaughlin	Ogren	Rice	Wenzel
Elioff	Minne	Osthoff	Riveness	Wynia
Ellingson				

Those who voted in the negative were:

Anderson, G.	Dimler	Johnson	Ozment	Sparby
Anderson, R.	Dyke	Kalis	Pauly	Stanius
Backlund	Erickson	Kiffmeyer	Peterson	Svigum
Becklin	Fjoslien	Knickerbocker	Piepho	Thiede
Bennett	Forsythe	Knuth	Poppenhagen	Thorson
Bishop	Frederick	Krueger	Quist	Tjornhom
Blatz	Frederickson	Kvam	Redalen	Tompkins
Boerboom	Frerichs	Levi	Rees	Tunheim
Boo	Gruenes	Marsh	Richter	Uphus
Brinkman	Gutknecht	McDonald	Rodosovich	Valan
Brown	Halberg	McKasy	Rose	Valento
Burger	Hartinger	McPherson	Schafer	Vanasek
Carlson, D.	Hartle	Miller	Schreiber	Waltman
Carlson, J.	Haukoos	Neuenschwander	Seaberg	Welle
Clausnitzer	Heap	Olsen, S.	Shaver	Zaffke
Dempsey	Himle	Omman	Sherman	Spk. Jennings, D.
DenOuden	Jennings, L.	Onnen	Skoglund	

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

Beard moved to amend H. F. No. 1847, as follows:

Page 13, line 29, before the semicolon insert "*For purposes of this subdivision, severance payment does not include severance payment that is provided as a direct result of a collective bargaining agreement negotiated prior to the severance*"

A roll call was requested and properly seconded.

The question was taken on the Beard amendment and the roll was called.

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

There were 59 yeas and 68 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Greenfield	McLaughlin	Pappas	Skoglund
Battaglia	Jacobs	Metzen	Peterson	Solberg
Beard	Jaros	Minne	Piper	Sparby
Begich	Jennings, L.	Munger	Price	Staten
Brandl	Kahn	Murphy	Quinn	Tomlinson
Brinkman	Kelly	Nelson, D.	Rest	Tunheim
Brown	Knuth	Neuenschwander	Rice	Vanasek
Carlson, D.	Kostohryz	Norton	Riveness	Voss
Carlson, L.	Krueger	O'Connor	Rodosovich	Welle
Clark	Lieder	Ogren	Sarna	Wenzel
Elioff	Long	Osthoff	Segal	Wynia
Ellingson	McEachern	Otis	Simoneau	

Those who voted in the negative were :

Anderson, R.	Dimler	Johnson	Ozment	Stanius
Backlund	Dyke	Kalis	Pauly	Sviggum
Becklin	Erickson	Kiffmeyer	Piepho	Thiede
Bennett	Forsythe	Knickerbocker	Poppenhagen	Thorson
Bishop	Frederick	Kvam	Quist	Tjornhom
Blatz	Frederickson	Levi	Redalen	Tompkins
Boerboom	Frerichs	Marsh	Rees	Uphus
Boo	Gruenes	McDonald	Richter	Valan
Burger	Gutknecht	McKasy	Rose	Valento
Carlson, J.	Hartinger	McPherson	Schafer	Waltman
Clausnitzer	Hartle	Miller	Schreiber	Zaffke
Cohen	Haukoos	Olsen, S.	Seaberg	Spk. Jennings, D.
Dempsey	Heap	Omann	Shaver	
DenOuden	Himle	Onnen	Sherman	

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

Begich, Rice and Elioff moved to amend H. F. No. 1847, as follows :

Page 8, line 5, delete "20" and reinstate "15"

A roll call was requested and properly seconded.

The question was taken on the Begich et al., amendment and the roll was called.

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

There were 57 yeas and 67 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Ellingson	McEachern	Osthoff	Segal
Anderson, R.	Greenfield	McLaughlin	Otis	Simoneau
Battaglia	Jacobs	Metzen	Pappas	Skoglund
Beard	Jaros	Minne	Peterson	Solberg
Begich	Jennings, L.	Munger	Piper	Sparby
Boo	Kahn	Murphy	Price	Tomlinson
Brandl	Kelly	Nelson, K.	Quinn	Tunheim
Brown	Knuth	Neuenschwander	Rest	Voss
Carlson, L.	Kostohryz	Norton	Rice	Welle
Clark	Krueger	O'Connor	Rodosovich	Wenzel
Cohen	Lieder	Ogren	Sarna	Wynia
Elioff	Long			

Those who voted in the negative were :

Backlund	Dyke	Himle	Ozment	Swiggum
Becklin	Erickson	Johnson	Pauly	Thiede
Bennett	Fjoslien	Kalis	Piepho	Thorson
Bishop	Forsythe	Kiffmeyer	Poppenhagen	Tjornhom
Blatz	Frederick	Knickerbocker	Quist	Tompkins
Boerboom	Frederickson	Kvam	Redalen	Uphus
Brinkman	Frerichs	Levi	Rees	Valan
Burger	Gruenes	Marsh	Richter	Valento
Carlson, D.	Gutknecht	McDonald	Rose	Waltman
Carlson, J.	Halberg	McPherson	Schreiber	Zaffke
Clausnitzer	Hartinger	Miller	Seaberg	Spk. Jennings, D.
Dempsey	Hartle	Olsen, S.	Shaver	
DenOuden	Haukoos	Omann	Sherman	
Dimler	Heap	Onnen	Stanius	

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

Begich, Rice and Elioff moved to amend H. F. No. 1847, as follows:

Pages 9 and 10, delete section 7

Renumber subsequent sections

Correct all internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on Begich et al., amendment and the roll was called.

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

There were 54 yeas and 71 nays as follows :

Those who voted in the affirmative were:

Anderson, R.	Ellingson	McLaughlin	Otis	Skoglund
Battaglia	Greenfield	Metzen	Pappas	Solberg
Beard	Jacobs	Minne	Peterson	Sparby
Begich	Jaros	Munger	Piper	Staten
Brandl	Jennings, L.	Murphy	Price	Tomlinson
Brinkman	Kelly	Nelson, K.	Quinn	Tunheim
Carlson, D.	Knuth	Neuenschwander	Rest	Voss
Carlson, L.	Kostohryz	Norton	Rice	Welle
Clark	Lieder	O'Connor	Riveness	Wenzel
Cohen	Long	Ogren	Sarna	Wynia
Elioff	McEachern	Osthoff	Simoneau	

Those who voted in the negative were:

Anderson, G.	Erickson	Kalis	Piepho	Thiede
Backlund	Fjoslien	Kiffmeyer	Poppenhagen	Thorson
Becklin	Forsythe	Knickerbocker	Quist	Tjornhom
Bennett	Frederick	Krueger	Redalen	Tompkins
Bishop	Frederickson	Kvam	Rees	Uphus
Blatz	Frerichs	Levi	Richter	Valan
Boerboom	Gruenes	Marsh	Rodosovich	Valento
Brown	Gutknecht	McDonald	Rose	Vanasek
Burger	Halberg	McKasy	Schafer	Waltman
Carlson, J.	Hartinger	McPherson	Schreiber	Zaffke
Clausnitzer	Hartle	Miller	Seaberg	Spk. Jennings, D.
Dempsey	Haukoos	Olsen, S.	Shaver	
DenOuden	Heap	Omann	Sherman	
Dimler	Himle	Onnen	Stanius	
Dyke	Johnson	Pauly	Sviggum	

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

Ogren moved to amend H. F. No. 1847, as follows:

Page 12, after line 5, insert:

"Sec. 9. [268.074] [ADDITIONAL UNEMPLOYMENT COMPENSATION BENEFITS.]

Subdivision 1. [WHEN AVAILABLE.] Additional unemployment benefits provided for in this section shall be authorized under the following conditions:

(a) *The commissioner has determined that an employer has reduced operations at an establishment which has resulted in the reduction of at least 50 percent of the employer's work force at the establishment and the lay-off of at least 50 employees; and*

(b) *The employer does not intend to resume operations which would lead to the reemployment of those employees at any time in the future; and*

(c) *The commissioner has determined that the unemployment rate for the county in which the establishment is located*

was ten percent during the month of the reduction or during any of the three months preceding or succeeding the reduction.

Upon the determination of the commissioner of such a reduction in work force those persons unemployed as a result shall be eligible for additional unemployment benefits in accordance with this section.

Subd. 2. [PAYMENT OF BENEFITS.] All benefits payable under this section shall be payable from the fund.

Subd. 3. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive additional benefits provided under this section for any week during the individual's benefit year if the commissioner finds:

(1) the unemployment is the result of a reduction in work force as determined by the commissioner under subdivision 1;

(2) the individual is unemployed and meets the eligibility requirements for the receipt of unemployment benefits under section 268.08;

(3) the individual is not subject to a disqualification for unemployment benefits under section 268.09. For the purpose of this section the disqualifying conditions set forth in section 268.09, and the requirements which must be met to remove such a disqualification shall apply to the receipt of additional benefits under this section;

(4) the individual has exhausted all rights to regular unemployment benefits payable under section 268.07, is not entitled to receive extended benefits under section 268.071, and is not entitled to receive unemployment benefits under any other state or federal laws for the week in which the individual claims additional unemployment benefits;

(5) the individual has made a claim for additional benefits with respect to such week in accordance with the rules as the commissioner may prescribe with respect to claims for normal unemployment benefits;

(6) the individual earned at least 26 credit weeks during the individual's base period in employment with an employer for whom the commissioner has determined there was a reduction in work force under subdivision 1.

Subd. 4. [WEEKLY BENEFIT AMOUNT.] A claimant's weekly benefit amount under this section is the same as the claimant's weekly benefit amount payable during the claimant's current benefit year under section 268.08.

Subd. 5. [MAXIMUM BENEFITS PAYABLE.] An individual's maximum amount of additional benefits payable in the

benefit year shall be 25 percent of the number of credit weeks earned by the individual in the employ of an employer for whom the commissioner has determined there was a reduction in work force under subdivision 1, computed to the nearest whole week, times the individual's weekly benefit amount. Unemployment benefits paid to an individual under any state or federal law other than regular unemployment benefits payable under section 268.07, shall be deductible from that individual's maximum amount of additional benefits."

Page 19, line 25, delete "9" and insert "10"

Page 19, line 26, delete "12" and insert "13"

Page 19, after line 28, insert:

"The additional benefits provided for in section 9 shall be payable to any claimant whose unemployment is the result of a reduction in work force under section 9, subdivision 1, which has occurred during calendar year 1985 or thereafter if the claimant has filed a claim for additional benefits which is effective January 1, 1986, or thereafter."

Renumber the sections in order

A roll call was requested and properly seconded.

The question was taken on the Ogren amendment and the roll was called.

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

There were 56 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Munger	Quinn	Tomlinson
Battaglia	Jaros	Murphy	Rest	Tunheim
Beard	Jennings, L.	Neuenschwander	Rice	Vanasek
Begich	Kahn	Norton	Riveness	Vellenga
Brandl	Kelly	O'Connor	Rodosovich	Voss
Brown	Knuth	Ogren	Sarna	Welle
Carlson, D.	Kostohryz	Osthoff	Segal	Wenzel
Carlson, L.	Krueger	Otis	Simoneau	Wynia
Clark	Lieder	Pappas	Skoglund	
Elioff	Long	Peterson	Solberg	
Ellingson	McLaughlin	Piper	Sparby	
Greenfield	Minne	Price	Staten	

Those who voted in the negative were:

Anderson, R.	Bennett	Boerboom	Burger	Dempsey
Backlund	Bishop	Boo	Carlson, J.	DenOuden
Becklin	Blatz	Brinkman	Clausnitzer	Dimler

Erickson	Haukoos	McKasy	Quist	Sviggum
Fjoslien	Heap	McPherson	Redalen	Thiede
Forsythe	Himle	Metzen	Rees	Thorson
Frederick	Johnson	Miller	Richter	Tjornhom
Frederickson	Kalis	Olsen, S.	Rose	Tompkins
Frerichs	Kiffmeyer	Omann	Schafer	Upphus
Gruenes	Knickerbocker	Onnen	Schreiber	Valan
Gutknecht	Kvam	Ozment	Seaberg	Valento
Halberg	Levi	Pauly	Shaver	Waltman
Hartinger	Marsh	Piepho	Sherman	Zaffke
Hartle	McDonald	Poppenhagen	Stanius	Spk. Jennings, D.

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

Welle, Krueger, Lieder, Peterson, Sparby, Brown, Rodosovich, Neuenschwander and Anderson, G., moved to amend H. F. No. 1847, as follows:

Page 5, after line 25, insert:

"Sec. 4. Minnesota Statutes 1984, section 268.06, subdivision 2, is amended to read:

Subd. 2. [RATES.] Each employer shall pay contributions equal to two and seven-tenths percent for each calendar year prior to 1985 and 5-4/10 percent for 1985 and each subsequent calendar year of wages paid and wages overdue and delayed beyond the usual time of payment from him with respect to employment occurring during each calendar year, except as may be otherwise prescribed in subdivisions 3a and 4. (EACH EMPLOYER WHO HAS AN EXPERIENCE RATIO OF LESS THAN ONE-TENTH OF ONE PERCENT SHALL PAY CONTRIBUTIONS ON ONLY THE FIRST \$8,000 IN WAGES PAID AND WAGES OVERDUE AND DELAYED BEYOND THE USUAL TIME OF PAYMENT TO EACH EMPLOYEE WITH RESPECT TO EMPLOYMENT OCCURRING DURING EACH CALENDAR YEAR.)"

Page 7, strike lines 10 to 24 and insert:

"The minimum rate for all employers shall be six-tenths of one percent for the year beginning July 1, 1986; four-tenths of one percent for the year beginning July 1, 1987; and two-tenths of one percent thereafter."

Page 8, after line 1, insert:

"Sec. 7. Minnesota Statutes 1984, section 268.06, subdivision 24, is amended to read:

Subd. 24. [REASSIGNMENT.] Notwithstanding any inconsistent provisions of law any employer who has been assigned a contribution rate pursuant to subdivisions 4, 6, and 8 of this sec-

tion and when all or a part of the benefits charged to the employers account are for the unemployment of 75 percent or more of the employees in the employers unit and the unemployment is caused by damages to the unit by fire, flood, wind, or other act of God, may, for the calendar year 1967, or any calendar year thereafter, upon the voluntary payment of an amount equivalent to any portion or all of the benefits charged to his account during the period ending June 30 of the preceding year used for the purpose of computing an employer's experience ratio as authorized by said subdivisions 4, 6, and 8, obtain a cancellation of benefits charged to his account during such period equal to such payment so voluntarily made. Upon the payment of such voluntary contribution, (PLUS A SURCHARGE OF 25 PERCENT OF SUCH BENEFIT CHARGED,) within the applicable period prescribed by the provisions of this subdivision, the commissioner shall cancel the benefits equal to such payment, (EXCLUDING THE 25 PERCENT SURCHARGE,) so voluntarily made and compute a new experience ratio for such employer. The employer then shall be assigned the contribution rate applicable to the category within which his recomputed experience ratio is included. Such voluntary payments may be made only during the 30-day period immediately following the date of mailing to the employer of the notice of his contribution rate as prescribed in this section; provided that the commissioner may extend this period if he finds that the employer's failure to make such payment within such 30-day period was for good cause; and provided further that notwithstanding any of the foregoing provisions of this subdivision, in no event shall any new experience ratio be computed for any employer or his contribution rate be reduced as a result of any such voluntary payment which he made after the expiration of the 120-day period commencing with the first day of the calendar year for which such rate is effective. Any adjustments under this subdivision shall be used only in the form of credits against accrued or future contributions.

(WHEN ALL OR A PART OF THE BENEFITS CHARGED TO AN EMPLOYER'S ACCOUNT ARE FOR THE UNEMPLOYMENT OF 75 PERCENT OR MORE OF THE EMPLOYEES IN AN EMPLOYING UNIT AND THE UNEMPLOYMENT IS CAUSED BY DAMAGES TO THE UNIT BY FIRE, FLOOD, WIND OR OTHER ACT OF GOD, THE EMPLOYER MAY OBTAIN A CANCELLATION OF BENEFITS INCURRED BECAUSE OF THAT UNEMPLOYMENT IN THE MANNER PROVIDED BY THIS SUBDIVISION WITHOUT BEING SUBJECT TO THE SURCHARGE OF 25 PERCENT OTHERWISE REQUIRED.)"

Page 19, line 25, delete "6" and insert "8" and delete "7" and insert "9" and delete "9" and insert "11"

Page 19, line 26, delete "12" and insert "14" and delete "8" and insert "10"

Page 19, line 27, delete "7" and insert "9"

Renumber the sections in order

Amend the title as follows:

Page 1, line 20, before "5" insert "2,"

Page 1, line 21, delete "and 20" and insert "20, and 24"

A roll call was requested and properly seconded.

The question was taken on the Welle et al., amendment and the roll was called.

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

There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	McLaughlin	Pappas	Staten
Anderson, R.	Greenfield	Metzen	Peterson	Tomlinson
Battaglia	Jaros	Minne	Piper	Tunheim
Beard	Jennings, L.	Munger	Price	Vanasek
Becklin	Kahn	Murphy	Quinn	Vellenga
Begich	Kalis	Nelson, D.	Rest	Voss
Brandl	Kelly	Nelson, K.	Rice	Welle
Brinkman	Knuth	Neuenschwander	Rodosovich	Wenzel
Brown	Kostohryz	Norton	Segal	Wynia
Carlson, D.	Krueger	Ogren	Simoneau	
Carlson, L.	Lieder	Omann	Skoglund	
Clark	Long	Osthoff	Solberg	
Cohen	McEachern	Otis	Sparby	

Those who voted in the negative were:

Backlund	Fjoslien	Johnson	Piepho	Stanius
Bennett	Forsythe	Kiffmeyer	Poppenhagen	Sviggum
Bishop	Frederick	Knickerbocker	Quist	Thiede
Blatz	Frederickson	Kvam	Redalen	Thorson
Boerboom	Frerichs	Levi	Rees	Tjornhom
Boo	Gruenes	Marsh	Richter	Tompkins
Burger	Gutknecht	McDonald	Riveness	Uphus
Carlson, J.	Halberg	McKasy	Rose	Valan
Clausnitzer	Hartinger	McPherson	Sarna	Valento
Dempsey	Hartle	Miller	Schafer	Waltman
DenOuden	Haukoos	O'Connor	Schreiber	Zaffke
Dimler	Heap	Olsen, S.	Seaberg	Spk. Jennings, D.
Dyke	Himle	Onnen	Shaver	
Erickson	Jacobs	Pauly	Sherman	

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

H. F. No. 1847, A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for em-

ployer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; setting the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, sections 14.48; 14.51; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

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

There were 81 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dimler	Kalis	Pauly	Sviggum
Anderson, R.	Dyke	Kiffmeyer	Peterson	Thiede
Backlund	Erickson	Knickerbocker	Piepho	Thorson
Becklin	Fjoslien	Krueger	Poppenhagen	Tjornhom
Bennett	Forsythe	Kvam	Quist	Tompkins
Bishop	Frederick	Levi	Redalen	Tunheim
Blatz	Frederickson	Lieder	Rees	Uphus
Boerboom	Frerichs	Marsh	Richter	Valan
Boo	Gruenes	McDonald	Rodosovich	Valento
Brinkman	Gutknecht	McKasy	Rose	Waltman
Brown	Halberg	McPherson	Schafer	Welle
Burger	Hartinger	Miller	Schreiber	Zaffke
Carlson, D.	Hartle	Neuenschwander	Seaberg	Spk. Jennings, D.
Carlson, J.	Haukoos	Olsen, S.	Shaver	
Clausnitzer	Heap	Omann	Sherman	
Dempsey	Himle	Onnen	Sparby	
DenOuden	Johnson	Ozment	Stanius	

Those who voted in the negative were:

Battaglia	Brandl	Cohen	Greenfield	Jennings, L.
Beard	Carlson, L.	Elioff	Jacobs	Kahn
Begich	Clark	Ellingson	Jaros	Kelly

Knuth	Munger	Osthoff	Rice	Staten
Kostohryz	Murphy	Otis	Riveness	Tomlinson
Long	Nelson, D.	Pappas	Sarna	Vanasek
McEachern	Nelson, K.	Piper	Segal	Vellenga
McLaughlin	Norton	Price	Simoneau	Voss
Metzen	O'Connor	Quinn	Skoglund	Wenzel
Minne	Ogren	Rest	Solberg	Wynia

The bill was passed and its title agreed to.

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Onnen moved that the names of Segal and Boo be added as authors on H. F. No. 370. The motion prevailed.

Johnson moved that the name of Valan be added as chief author and the name of Johnson be shown as second author and the name of Seaberg be added as an author on H. F. No. 1389. The motion prevailed.

Carlson, J., moved that the names of Onnen, Quist, Stanius and Ozment be added as authors on H. F. No. 1594. The motion prevailed.

Richter moved that the name of Hartinger be added as an author on H. F. No. 1726. The motion prevailed.

Blatz moved that the name of Quinn be added as an author on H. F. No. 1764. The motion prevailed.

Richter moved that the name of Poppenhagen be added as an author on H. F. No. 1769. The motion prevailed.

Redalen moved that the name of Uphus be added as an author on H. F. No. 1846. The motion prevailed.

Clausnitzer moved that the name of Rodosovich be stricken as an author on H. F. No. 1879. The motion prevailed.

Kostohryz moved that the name of Osthoff be added as an author on H. F. No. 1910. The motion prevailed.

Pappas moved that the name of Boo be added as an author on H. F. No. 1921. The motion prevailed.

Valento moved that the names of Voss and Thiede be added as authors on H. F. No. 1990. The motion prevailed.

Stanius moved that the names of Voss, Knickerbocker and Ozment be added as authors on H. F. No. 1991. The motion prevailed.

Shaver moved that the name of Piepho be added as an author on H. F. No. 1998. The motion prevailed.

Vellenga moved that the names of Krueger, Seaberg, Clark and Valan be added as authors on H. F. No. 2000. The motion prevailed.

Shaver moved that the name of Fjoslien be added as an author on H. F. No. 2010. The motion prevailed.

Kalis moved that the name of Dempsey be stricken and the name of Peterson be added as an author on H. F. No. 2021. The motion prevailed.

Ogren moved that the name of Price be added as an author on H. F. No. 2022. The motion prevailed.

Boerboom moved that the name of Sarna be added as an author on H. F. No. 2025. The motion prevailed.

Knuth moved that H. F. No. 1898 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Judiciary. The motion prevailed.

Seaberg moved that H. F. No. 1913 be recalled from the Committee on Crime and Family Law and be re-referred to the Committee on Appropriations. The motion prevailed.

PENDING POINT OF ORDER

The pending point of order relating to H. F. No. 1930, raised by Knuth earlier today, pursuant to rule 5.8 and deferred by the Speaker, was reported to the House. The Speaker ruled the point of order not well taken.

Pauly moved that H. F. No. 2044 be recalled from the Committee on Judiciary and be re-referred to the Committee on Governmental Operations. The motion prevailed.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, February 17, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, February 17, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SEVENTY-FIRST DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 17, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Alden Keiski, United Methodist Church, Owatonna, Minnesota.

The roll was called and the following members were present:

Anderson, C.	Ellingson	Krueger	Otis	Shaver
Backlund	Erickson	Kvam	Ozment	Sherman
Battaglia	Fjoslien	Levi	Pappas	Simoneau
Beard	Forsythe	Lieder	Pauly	Skoglund
Becklin	Frederick	Long	Peterson	Solberg
Begich	Frederickson	Marsh	Piepho	Stanius
Bennett	Frerichs	McDonald	Piper	Sviggum
Bishop	Greenfield	McEachern	Poppenhagen	Thiede
Blatz	Gruenes	McKasy	Price	Thorson
Boerboom	Gutknecht	McLaughlin	Quinn	Tjornhom
Boo	Halberg	McPherson	Quist	Tomlinson
Brandl	Hartinger	Metzen	Redalen	Tompkins
Brinkman	Hartle	Miller	Rees	Tunheim
Brown	Haukoos	Minne	Rest	Valan
Burger	Heap	Munger	Rice	Valento
Carlson, D.	Himle	Murphy	Richter	Vanasek
Carlson, J.	Jacobs	Nelson, D.	Riveness	Vellenga
Carlson, L.	Jennings, L.	Nelson, K.	Rodosovich	Voss
Clark	Johnson	Neuenschwander	Rose	Waltman
Clausnitzer	Kahn	Norton	Sarna	Welle
Cohen	Kalis	Ogren	Schafer	Wenzel
Dempsey	Kelly	Olsen, S.	Scheid	Wynia
DenOuden	Kiffmeyer	Olson, E.	Schoenfeld	Zaffke
Dimler	Knickerbocker	Omman	Schreiber	Spk. Jennings, D.
Dyke	Knuth	Onnen	Seaberg	
Elioff	Kostohryz	Osthoff	Segal	

A quorum was present.

Anderson, R.; Jaros; O'Connor; Sparby and Staten were excused. Uphus was excused until 2:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Gutknecht moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1794, 1844, 1882 and 1930 and S. F. Nos. 1349 and 1574 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 370, A bill for an act relating to health; requiring licensure of a home care agency; providing a home care bill of rights; providing a grievance procedure for a home care agency; amending Minnesota Statutes 1984, sections 144.12, subdivision 1; 144A.51, by adding a subdivision; 144A.52, subdivision 3; 144A.53, subdivisions 1, 2, 3, and 4; 144A.54, subdivision 1; 626.557, subdivision 2; and proposing coding for new law in Minnesota Statutes, chapter 144A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [143.01] [CITATION.]

It is the intent of the legislature to promote the interests and protect the rights of individuals who receive home care services. The purpose of sections 1 to 7 is to promote the quality of care of services delivered in the home without unduly increasing costs, to promote access to economical home care services, and to prevent fraud and abuse. Sections 1 to 7 may be cited as the "home care services act."

Sec. 2. [143.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 7.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 3. [HOME CARE SERVICES.] "Home care services" means services delivered in the home to benefit individuals or their families who require assistance in meeting physical or mental health-related needs.

Subd. 4. [HOME HEALTH AGENCY.] "Home health agency" means a public agency or private organization, or a subdivision of such an agency or organization, which is primarily engaged in providing skilled nursing services, and other therapeutic services and items on a visiting basis in a place of residence used as an individual's home. Such services and items may include:

- (1) part-time or intermittent nursing care provided by or under the supervision of a registered professional nurse;*
- (2) physical, occupational, or speech therapy;*
- (3) medical social services under the direction of a physician;*
- (4) part-time or intermittent services of a home health aide; and*
- (5) medical supplies, other than drugs and biologicals, and the use of medical appliances.*

Subd. 5. [PERSONAL CARE ATTENDANT.] "Personal care attendant" means a person authorized by the commissioner of human services to provide services under the medical assistance program under section 256B.02, subdivision 8, clause (17).

Sec. 3. [143.03] [HOME CARE BILL OF RIGHTS.]

Subdivision 1. [STATEMENT OF RIGHTS.] A person who receives home care services has these rights:

- (1) the right to receive written information about rights, including what to do if rights are violated;*
- (2) the right to receive care and services according to a suitable and up-to-date plan, and subject to accepted medical or nursing standards, to take an active part in creating and changing the plan and evaluating care and services;*
- (3) the right to be told about agency services that are being provided or suggested, about other choices that are available, and about the consequences of these choices including the consequences of refusing these services;*
- (4) the right to refuse services or treatment;*
- (5) the right to know, in advance, any limits to the services available from an agency, whether the services are covered by health insurance, medical assistance, or other health programs, and the agency's grounds for a termination of services;*

(6) *the right to know what the charges are for services, no matter who will be paying the bill;*

(7) *the right to know that there may be other services available in the community, including other home care services, agencies, and case management services, and to know where to go for information, including price information, about these services;*

(8) *the right to choose freely among available agencies and to change agencies after services have begun, within the limits of health insurance, medical assistance, or other health programs;*

(9) *the right to have personal, financial, and medical information kept private;*

(10) *the right to be served by people who are properly trained and competent to perform their duties;*

(11) *the right to be treated with courtesy and respect;*

(12) *the right to be free from physical and verbal abuse;*

(13) *the right to reasonable notice of changes in services or charges;*

(14) *the right to a coordinated transfer when there will be a change in the provider of services;*

(15) *the right to know how to contact the director of an agency who is responsible for handling problems and where to go for help outside the agency; and*

(16) *the right to assert these rights without retaliation.*

Subd. 2. [ENFORCEMENT OF RIGHTS.] *These rights are established for the benefit of persons who receive home care services. "Home care services" means home care services as defined in section 2, subdivision 3. A person who provides home care services may not require a person to surrender these rights as a condition of receiving services. A guardian or conservator or, when there is no guardian or conservator, a designated person, may seek to enforce these rights. This statement of rights does not replace or diminish other rights and liberties that may exist relative to persons receiving home care services, persons providing home care services, or agencies registered under this act.*

Subd. 3. [DISTRIBUTION.] *The commissioner shall provide counties and other interested organizations with sufficient copies for an adequate distribution of the home care bill of rights to the*

public. All persons who provide home care services shall provide a copy of this bill of rights to their clients prior to providing any services.

Sec. 4. [143.04] [INFORMATION AND REFERRAL SERVICES.]

Subdivision 1. [COUNTY RESPONSIBILITY.] Information and referral relating to home care services are the responsibility of counties. The county board shall make available the following information:

(1) a summary of the range of prices for home care services in the county, and in contiguous counties if this is appropriate, and specific price information only as described in this section;

(2) availability of services, and eligibility for third-party payments applicable to individual providers. Home health agencies or personal care attendants who are not registered with the commissioner under section 7 shall not be included in the referral service;

(3) complaint information on home care services that has been verified under section 5; and

(4) other information the county board determines to be appropriate.

When a complaint investigation is in process, referral to the provider under investigation may be withheld if necessary to protect the health and safety of consumers.

Subd. 2. [DISTRIBUTION OF PRICE INFORMATION.] The commissioner of health shall establish standards for the collection and distribution of uniform price information which will allow consumers to make useful comparisons between home care services providers. Specific price information shall be distributed only with an accompanying caution to the consumers that details about services may vary among providers and prices should be compared carefully. Home health agencies must provide information requested for the purposes of this section, including price information, as a condition of registration.

Sec. 5. [143.05] [COMPLAINTS.]

Subdivision 1. [DESIGNATION OF A COMPLAINT PROCESS]. The county board of each county shall designate the process for receiving, investigating, and providing follow-up on complaints related to home care services and persons providing home care services according to the standards developed by the commissioner. The county board shall make this process known to the general public. The county board shall supervise imple-

mentation of the complaint process. Complaints against county personnel shall be reported to the county board.

Subd. 2. [REQUIREMENTS OF A COMPLAINT PROCESS.] The complaint process designated by the county board must include the following:

(1) identification of a person or place to receive complaints which is separate from the publicly administered or contracted home health agency, if any;

(2) protocols for recordkeeping that include preparation of reports to the commissioner of all complaints received by the county and the resolution of each;

(3) a list of potential referral sources that includes the appropriate county agencies, the local police departments, the county sheriff's office, the county attorney's office, and appropriate state regulating agencies;

(4) coordination with existing requirements of the reporting of maltreatment of vulnerable adults under section 626.557 and the office of health facility complaints;

(5) review of all complaints by the county social worker and public health nurse;

(6) coordination with alternative care grants case management services;

(7) guidelines to enable county personnel to identify persons receiving home care services who are particularly vulnerable due to the lack of a familial or community monitoring network and who are in need of monitoring by the county to assure personal safety, quality care, and financial management services; and

(8) guidelines for resolution of complaints to protect the consumer, including time requirements and implementation of existing mechanisms established under section 626.557.

Subd. 3. [RESOLUTION OF COMPLAINTS.] (a) The commissioner of health and the county board's designees may inspect the records of a provider of home care services against which a complaint has been filed. With the consent of the consumer, the commissioner and the county boards' designees may visit the home where home care services are being provided.

(b) The commissioner shall adopt rules to govern the issuance of correction orders and assessment of civil penalties.

(c) *The commissioner of health shall adopt rules to establish appeals mechanisms for both providers and consumers related to complaints filed against providers of home care services.*

Subd. 4. [REPORTING OF COMPLAINTS.] The commissioner shall adopt rules for the uniform and timely reporting of complaints from counties related to home care services. The rules must describe performance-based standards for complaint investigation and reporting, including due process and equal treatment of providers. The commissioner shall assist county personnel to improve resolution of complaints. The rules shall also include requirements for timely response and reports to the counties from the commissioner.

Sec. 6. [143.06] [POLICY FOR HOME CARE SERVICES REGULATION.]

Subdivision 1. [CRITERIA FOR REGULATION.] It is the intent of the legislature that no regulation of home care services be imposed unless required for the safety, well-being, and quality of care of the citizens of the state. The commissioner of health shall be advised by a task force with representation from various kinds of providers of home care services, county government, and consumers in the development of standards for the provision of home care services. The task force and the commissioner shall evaluate whether a service should be regulated using the following criteria:

(a) whether the unregulated service may harm or endanger the health, safety, and quality of care for citizens of the state and whether the potential for harm is recognizable and not remote;

(b) whether the service requires specialized skill or training and whether the public needs will benefit by assurances of initial and continuing provider ability;

(c) whether the citizens of this state are or may be effectively protected by other means; and

(d) whether the overall cost effectiveness and economic impact would be positive for citizens of the state.

Subd. 2. [REGULATION MODES.] If the commissioner and the task force find after evaluation of the criteria listed in subdivision 1 that it is necessary to regulate the provision of a service, then regulation shall be recommended to the legislature in modes in the following order:

(1) creation or extension of common law or statutory causes of civil action, and the creation or extension of criminal prohibitions;

(2) *imposition of inspection requirements and the ability to enforce violations by injunctive relief in the courts;*

(3) *implementation of a system of registration whereby providers who will be the only persons permitted to use a designated title are listed on an official roster after having met predetermined qualifications; or*

(4) *implementation of a system of licensing whereby a provider must receive recognition by the state that he has met predetermined qualifications, and providers not so licensed are prohibited from providing services.*

Two or more of these modes may be recommended to the legislature if necessary and appropriate.

Subd. 3. [ANNUAL REPORT.] The commissioner shall report to the legislature on or before October 1 of each year, regarding activities of the task force, problems identified, recommendations on services to be regulated, the mode of regulation that is appropriate, and a cost-benefit analysis for each service recommended. The report shall include proposed rules that address the following:

(1) *standards to assure the health, safety, well-being, quality of care, and appropriate treatment of persons who receive home care services;*

(2) *description of information necessary to implement a regulatory mode;*

(3) *standards of training of home care services personnel, which may vary according to the nature of the services provided or the health status of the consumer provided that the commissioner shall not impose additional training or education requirements upon members of a licensed or registered occupation or profession, except as necessary to address or prevent problems that are unique to the delivery of services in the home or to enforce and protect the rights of consumers listed in section 3;*

(4) *standards of supervision of personnel providing home care services, which may vary according to the nature of the services provided or the health status of the consumer;*

(5) *standards for the involvement of a consumer's physician, the documentation of physicians' orders and the consumer's treatment plan, and the maintenance of accurate, current clinical records; and*

(6) *standards for different modes of regulation for different types of providers of home care services, including but not limited to hospice care, respite care, and nutrition services.*

The annual report shall include data on the numbers, types, and resolution of complaints. The commissioner with the task force shall review existing mechanisms for complaint resolution. The commissioner, with the advice of the task force, shall make recommendations to the legislature to improve existing complaint mechanisms.

Sec. 7. [143.07] [REGISTRATION.]

Subdivision 1. [REQUIRED INFORMATION.] All home health agencies as defined in section 2, subdivision 4, and all personal care attendants as defined in section 2, subdivision 5, shall register with the commissioner of health, in writing, the agency's name; the name of its parent corporation or sponsoring organization, if any; the street address and telephone number of its principal place of business; the street address and telephone number of its principal place of business in Minnesota; the counties in Minnesota in which it may render services; the street address and telephone number of all other offices in Minnesota; and the name, educational background, and ten-year employment history of the person responsible for the management of the agency.

Subd. 2. [LIMITATION ON REIMBURSEMENT.] Only a home health agency or personal care attendant who is registered with the commissioner under this section may receive reimbursement from the medical assistance program or the alternative care grant program under chapter 256B.

Subd. 3. [PROPOSED RULES.] Before October 1, 1986, the commissioner shall develop proposed rules to register home health agencies and personal care attendants. The proposed rule provisions may include, but not be limited to, the following:

(1) standards to assure the health, safety, well-being, quality of care, and appropriate treatment of persons who receive home health services;

(2) requirements that home health agencies and personal care attendants furnish the commissioner additional specified information necessary to implement this section;

(3) standards of supervision and training of personnel providing home health services, which may vary according to the nature of the services provided or the health status of the consumer;

(4) standards for the involvement of a consumer's physician, the documentation of physicians' orders and the consumer's treatment plan, and the maintenance of accurate, current clinical records; and

(5) *operating procedures required to implement the home care bill of rights.*

For home health agencies certified under the medicare program, the state standards must not be inconsistent with the medicare standards for medicare services.

Subd. 4. [ENFORCEMENT.] The commissioner may refuse to grant or renew a registration, or may suspend or revoke a registration, for violation of statutes or rules relating to home health agencies and personal care attendants or for conduct detrimental to the welfare of the consumer. In addition to any other remedy provided by law, the commissioner may, without a prior contested case hearing, temporarily suspend a registration or prohibit delivery of services by an agency or attendant for not more than 60 days if the commissioner determines that the health or safety of a consumer is in imminent danger, provided (1) advance notice is given to the agency; (2) after notice, the agency or attendant fails to correct the problem; (3) the commissioner has reason to believe that other administrative remedies are not likely to be effective; and (4) there is a subsequent opportunity for a contested case hearing. The process of suspending or revoking a registration must include a plan for transferring affected clients to other agencies. At the request of a registrant who has been issued a correction order, the commissioner shall order a review of the appropriateness of the correction order by a person designated by the commissioner other than the person who issued the correction order. The review process must allow an opportunity for the registrant to submit a brief explanation of the objections to the correction order. If, after receiving the report and recommendation of the reviewer, the commissioner determines that the correction order was issued inappropriately, the commissioner shall retract the correction order and remove from the registrant's record all references to the order.

Sec. 8. Minnesota Statutes 1984, section 144.699, subdivision 2, is amended to read:

Subd. 2. [FOSTERING PRICE COMPETITION.] The commissioner of health shall:

(a) Encourage hospitals, outpatient surgical centers, providers of home care services, and professionals regulated by the health related licensing boards as defined in section 214.01, subdivision 2, and by the commissioner of health under section 214.13, to publish prices for procedures and services that are representative of the diagnoses and conditions for which citizens of this state seek treatment.

(b) Analyze and disseminate available price information and analysis so as to foster the development of price competition

among hospitals, outpatient surgical centers, *providers of home care services*, and health professionals.

Sec. 9. Minnesota Statutes 1984, section 144A.51, subdivision 6, is amended to read:

Subd. 6. "Resident" means any resident or patient of a health facility or a consumer of services provided by a home health agency, or personal care attendant, or the guardian or conservator of (A) the resident (OR), patient (OF A HEALTH FACILITY), or consumer, if one has been appointed.

Sec. 10. Minnesota Statutes 1984, section 144A.51, is amended by adding a subdivision to read:

Subd. 7. "Home health agency" means a provider defined in section 2.

Sec. 11. Minnesota Statutes 1984, section 144A.51, is amended by adding a subdivision to read:

Subd. 8. "Personal care attendant" means a provider defined in section 2.

Sec. 12. Minnesota Statutes 1984, section 144A.52, subdivision 3, is amended to read:

Subd. 3. The director may delegate to members of his staff any of his authority or duties except the duty of formally making recommendations to the legislature, administrative agencies, health facilities, health care providers, *home health agencies*, *personal care attendants*, and the state commissioner of health.

Sec. 13. Minnesota Statutes 1984, section 144A.53, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] The director may:

(a) Promulgate by rule, pursuant to chapter 14, and within the limits set forth in subdivision 2, the methods by which complaints against health facilities, health care providers, *home health agencies*, *personal care attendants*, or administrative agencies are to be made, reviewed, investigated, and acted upon; provided, however, that he may not charge a fee for filing a complaint;

(b) Recommend legislation and changes in rules to the state commissioner of health, legislature, governor, administrative agencies or the federal government;

(c) Investigate, upon a complaint or upon his own initiative, any action or failure to act by a health care provider, *home health agency, personal care attendant*, or a health facility;

(d) Request and receive access to relevant information, records, or documents in the possession of an administrative agency, a health care provider, *a home health agency, personal care attendant*, or a health facility which he deems necessary for the discharge of his responsibilities;

(e) Enter and inspect, at any time, a health facility; provided that the director shall not unduly interfere with or disturb the activities of a resident unless the resident consents;

(f) Issue a correction order pursuant to section 144.653 or any other law which provides for the issuance of correction orders to health care facilities or *home health agencies*;

(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or Title XIX of the United States Social Security Act;

(h) Assist residents of health facilities in the enforcement of their rights under Minnesota law; and

(i) Work with administrative agencies, health facilities, *home health agencies*, and health care providers and organizations representing consumers on programs designed to provide information about health facilities to the public and to health facility residents.

Sec. 14. Minnesota Statutes 1984, section 144A.53, subdivision 2, is amended to read:

Subd. 2. [COMPLAINTS.] The director may receive a complaint from any source concerning an action of an administrative agency, a health care provider, *a home health agency, personal care attendant*, or a health facility. He may require a complainant to pursue other remedies or channels of complaint open to the complainant before accepting or investigating the complaint.

The director shall keep written records of all complaints and his action upon them. After completing his investigation of a complaint, he shall inform the complainant, *the appropriate county board designee*, the administrative agency having jurisdiction over the subject matter, the health care provider, *the home health agency, the personal care attendant*, and the health facility of the action taken.

Sec. 15. Minnesota Statutes 1984, section 144A.53, subdivision 3, is amended to read:

Subd. 3. [RECOMMENDATIONS.] If, after duly considering a complaint and whatever material he deems pertinent, the director determines that the complaint is valid, he may recommend that an administrative agency, a health care provider, a *home health agency*, *personal care attendant*, or a health facility should:

(a) Modify or cancel the actions which gave rise to the complaint;

(b) Alter the practice, rule or decision which gave rise to the complaint;

(c) Provide more information about the action under investigation; or

(d) Take any other step which the director considers appropriate.

If the director requests, the administrative agency, a health care provider, a *home health agency*, *personal care attendant*, or health facility shall, within the time specified, inform the director about the action taken on his recommendation.

Sec. 16. Minnesota Statutes 1984, section 144A.53, subdivision 4, is amended to read:

Subd. 4. [REFERRAL OF COMPLAINTS.] If a complaint received by the director relates to a matter more properly within the jurisdiction of an occupational licensing board or other governmental agency, the director shall forward the complaint to that agency and shall inform the complaining party of the forwarding. The agency shall promptly act in respect to the complaint, and shall inform the complaining party and the director of its disposition. If a governmental agency receives a complaint which is more properly within the jurisdiction of the director, it shall promptly forward the complaint to the director, and shall inform the complaining party of the forwarding. If the director has reason to believe that an official or employee of an administrative agency, a *home health agency*, *personal care attendant*, or health facility has acted in a manner warranting criminal or disciplinary proceedings, he shall refer the matter to the state commissioner of health, the commissioner of human services, an appropriate prosecuting authority, or other appropriate agency.

Sec. 17. Minnesota Statutes 1984, section 144A.54, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided by this section, the director may determine the form, frequency, and distribution of his conclusions and recommendations. The director shall transmit his conclusions and recommendations to the state commis-

sioner of health and the legislature. Before announcing a conclusion or recommendation that expressly or by implication criticizes an administrative agency, a health care provider, a *home health agency, personal care attendant*, or a health facility, the director shall consult with that agency, health care provider, *home health agency, personal care attendant*, or facility. When publishing an opinion adverse to an administrative agency, a health care provider, a *home health agency, personal care attendant*, or a health facility, he shall include in the publication any statement of reasonable length made to him by that agency, health care provider, *home health agency, personal care attendant*, or health facility in defense or explanation of the action.

Sec. 18. Minnesota Statutes 1985 Supplement, section 626.557, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific context indicates otherwise.

(a) "Facility" means a hospital or other entity required to be licensed pursuant to sections 144.50 to 144.58; a nursing home required to be licensed to serve adults pursuant to section 144A.02; an agency, day care facility, or residential facility required to be licensed to serve adults pursuant to sections 245.781 to 245.812; or a home health agency (CERTIFIED FOR PARTICIPATION IN TITLES XVIII OR XIX OF THE SOCIAL SECURITY ACT, UNITED STATES CODE, TITLE 42, SECTIONS 1395 ET SEQ) *defined under section 2.*

(b) "Vulnerable adult" means any person 18 years of age or older:

(1) who is a resident or inpatient of a facility;

(2) who receives services at or from a facility required to be licensed to serve adults pursuant to sections 245.781 to 245.812, except a person receiving outpatient services for treatment of chemical dependency or mental illness;

(3) who receives services from a home health agency (CERTIFIED FOR PARTICIPATION UNDER TITLES XVIII OR XIX OF THE SOCIAL SECURITY ACT, UNITED STATES CODE, TITLE 42, SECTIONS 1395 ET SEQ AND 1396 ET SEQ) *defined under section 2*; or

(4) who, regardless of residence or type of service received, is unable or unlikely to report abuse or neglect without assistance because of impairment of mental or physical function or emotional status.

(c) "Caretaker" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, by contract, or by agreement.

(d) "Abuse" means:

(1) any act which constitutes a violation under sections 609.221 to 609.223, 609.23 to 609.235, 609.322, 609.342, 609.343, 609.344, or 609.345;

(2) nontherapeutic conduct which produces or could reasonably be expected to produce pain or injury and is not accidental, or any repeated conduct which produces or could reasonably be expected to produce mental or emotional distress;

(3) any sexual contact between a facility staff person and a resident or client of that facility; or

(4) the illegal use of a vulnerable adult's person or property for another person's profit or advantage, or the breach of a fiduciary relationship through the use of a person or a person's property for any purpose not in the proper and lawful execution of a trust, including but not limited to situations where a person obtains money, property, or services from a vulnerable adult through the use of undue influence, harassment, duress, deception, or fraud.

(e) "Neglect" means:

(1) failure by a caretaker to supply a vulnerable adult with necessary food, clothing, shelter, health care or supervision;

(2) the absence or likelihood of absence of necessary food, clothing, shelter, health care, or supervision for a vulnerable adult; or

(3) the absence or likelihood of absence of necessary financial management to protect a vulnerable adult against abuse as defined in paragraph (d), clause (4). Nothing in this section shall be construed to require a health care facility to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

(f) "Report" means any report received by a local welfare agency, police department, county sheriff, or licensing agency pursuant to this section.

(g) "Licensing agency" means:

(1) the commissioner of health, for facilities as defined in clause (a) which are required to be licensed or certified by the department of health;

(2) the commissioner of human services, for facilities required by sections 245.781 to 245.813 to be licensed;

(3) any licensing board which regulates persons pursuant to section 214.01, subdivision 2; and

(4) any agency responsible for credentialing human services occupations.

Sec. 19. Minnesota Statutes 1985 Supplement, section 626.-557, subdivision 5, is amended to read:

Subd. 5. [IMMUNITY FROM LIABILITY.] (a) A person making a voluntary or mandated report under subdivision 3 or participating in an investigation under this section is immune from any civil or criminal liability that otherwise might result from the person's actions, if the person is acting in good faith.

(b) A person employed by a local welfare agency, *public health agency, the governing body of those agencies*, or a state licensing agency who is conducting or supervising an investigation or enforcing the law in compliance with subdivision 10, 11, or 12 or any related rule or provision of law is immune from any civil or criminal liability that might otherwise result from the person's actions, if the person is acting in good faith and exercising due care.

Sec. 20. Minnesota Statutes 1985 Supplement, section 626.-557, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY UPON A RECEIPT OF A REPORT.] (a) The local welfare agency shall immediately investigate and offer emergency and continuing protective social services for purposes of preventing further abuse or neglect and for safeguarding and enhancing the welfare of the abused or neglected vulnerable adult. (LOCAL WELFARE AGENCIES) *The county board's designee* may enter facilities and inspect and copy records as part of investigations. In cases of suspected sexual abuse, the local welfare agency shall immediately arrange for and make available to the victim appropriate medical examination and treatment. The investigation shall not be limited to the written records of the facility, but shall include every other available source of information. When necessary in order to protect the vulnerable adult from further harm, the local welfare agency shall seek authority to remove the vulnerable adult from the situation in which the neglect or abuse occurred. The local welfare agency shall also investigate to determine whether the conditions which resulted in the reported abuse

or neglect place other vulnerable adults in jeopardy of being abused or neglected and offer protective social services that are called for by its determination. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) If the report indicates, or if the local welfare agency finds that the suspected abuse or neglect occurred at a facility, or while the vulnerable adult was or should have been under the care of or receiving services from a facility, or that the suspected abuse or neglect involved a person licensed by a licensing agency to provide care or services, the local welfare agency shall immediately notify each appropriate licensing agency, and provide each licensing agency with a copy of the report and of its investigative findings.

(c) When necessary in order to protect a vulnerable adult from serious harm, the local agency shall immediately intervene on behalf of that adult to help the family, victim, or other interested person by seeking any of the following:

(1) a restraining order or a court order for removal of the perpetrator from the residence of the vulnerable adult pursuant to section 518B.01;

(2) the appointment of a guardian or conservator pursuant to sections 525.539 to 525.6198, or guardianship or conservatorship pursuant to chapter 252A;

(3) replacement of an abusive or neglectful guardian or conservator and appointment of a suitable person as guardian or conservator, pursuant to sections 525.539 to 525.6198; or

(4) a referral to the prosecuting attorney for possible criminal prosecution of the perpetrator under chapter 609.

The expenses of legal intervention must be paid by the county in the case of indigent persons, under section 525.703 and chapter 563.

In proceedings under sections 525.539 to 525.6198, if a suitable relative or other person is not available to petition for guardianship or conservatorship, a county employee shall present the petition with representation by the county attorney. The county shall contract with or arrange for a suitable person or nonprofit organization to provide ongoing guardianship services. If the county presents evidence to the probate court that it has made a diligent effort and no other suitable person can be found, a county employee may serve as guardian or conservator. The county shall not retaliate against the employee for any action taken on behalf of the ward or conservatee even if the action is adverse to the county's interest. Any person retaliated against in violation of this subdivision shall have a cause of action

against the county and shall be entitled to reasonable attorney fees and costs of the action if the action is upheld by the court.

Sec. 21. [REPORT TO THE LEGISLATURE.]

The commissioner shall prepare and deliver a report to the legislature on January 2, 1987, with information on the implementation of registration activities for home health agencies and personal care attendants and complaints received by the counties and by the commissioner concerning the provision of home care services.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 21 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; providing for the regulation of home care services; providing for a home care bill of rights; making information and referral services the responsibility of counties; requiring county boards to designate a complaint process; establishing a task force; authorizing proposed rules for home health agencies and personal care attendants; amending Minnesota Statutes 1984, sections 144.699, subdivision 2; 144A.51, subdivision 6; 144A.52, subdivision 3; 144A.53, subdivisions 1 to 4; and 144A.54, subdivision 1; Minnesota Statutes 1985 Supplement, section 626.557, subdivisions 2, 5, and 10; proposing coding for new law as chapter 143."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 943, A bill for an act relating to human services; providing state hospital revolving fund for chemical dependency; creating a consolidated fund for payment of chemical dependency treatment; appropriating money to counties for treatment; providing for client eligibility, vendor eligibility, and state collections; providing for American Indian special funding; removing chemical dependency treatment from medical assistance, general assistance medical care, and general assistance funding; amending Minnesota Statutes 1984, sections 246.04; 246.18; 246.23; 246.50, by adding a subdivision; 246.51, subdivision 1; 246.54; 256B.02, subdivision 8; 256B.70; and 256D.03, subdivision 4; proposing coding for new law in Minnesota Statutes,

chapter 246; and proposing coding for new law as Minnesota Statutes, chapter 254B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 246.04, is amended to read:

246.04 [BOOKS AND ACCOUNTS.]

The commissioner of human services shall keep at his office a proper and complete system of books and accounts with each institution, showing every expenditure authorized and made therefor. Such books shall contain a separate account of each extraordinary or special appropriation made by the legislature, with every item of expenditure therefrom. *The commissioner shall maintain a separate fund for all chemical dependency appropriations that will provide for an ascertainable review of receipts and expenditures under section 246.18, subdivision 2.*

Sec. 2. Minnesota Statutes 1984, section 246.18, is amended to read:

246.18 [DISPOSAL OF FUNDS.]

Subdivision 1. [GENERALLY.] Except as provided in subdivision 2, every officer and employee of the several institutions under the jurisdiction of the commissioner of human services shall pay to the accounting officer thereof any funds in his hands belonging to the institution. Every accounting officer, at the close of each month or oftener, shall forward to the commissioner of human services a statement of the amount and sources of all moneys received. On receipt of such statement, the commissioner shall transmit the same to the commissioner of finance, who shall deliver to the state treasurer a draft upon the accounting officer for the same specifying the funds to which it is to be credited. Upon payment of such draft, the amount shall be so credited.

Subd. 2. [CHEMICAL DEPENDENCY FUND.] Money received by a chemical dependency treatment facility operated by a hospital or nursing home under the jurisdiction of the commissioner of human services must be deposited in the state treasury and credited to a chemical dependency fund. Money in the chemical dependency fund is appropriated to the commissioner to operate chemical dependency programs.

Subd. 3. [CHEMICAL DEPENDENCY ACCOUNTS.] The commissioner of finance shall provide accounting procedures for separate interest bearing chemical dependency accounts within the chemical dependency fund for each state facility providing

chemical dependency services that will allow money to be readily available to finance chemical dependency programs. After June 30, 1992, the commissioner must not allocate money to a state facility for chemical dependency programs in excess of the amount of deposits of money received by the facility and deposited in the facility's chemical dependency account without the approval of the governor after consultation with the legislative advisory commission, except that before June 30, 1992, the commissioner may transfer or supplement funds in chemical dependency accounts to cover any revenue shortfall in a particular state hospital chemical dependency program. Twenty percent of the money in the chemical dependency fund that was reappropriated from the state hospital account must be transferred to the state hospitals' chemical dependency accounts on a pro rata basis as an advance payment for chemical dependency services to be delivered under chapter 254B.

Sec. 3. Minnesota Statutes 1985 Supplement, section 246.23, is amended to read:

246.23 [PERSONS ADMISSIBLE TO STATE HOSPITALS.]

No person who has not a settlement in a county, as defined in section 256D.18, shall be admitted to a state hospital for persons with mental illness, mental retardation, or chemical dependency, except that the commissioner of human services may authorize admission thereto when the residence cannot be ascertained, or when the circumstances in his judgment make it advisable. *Except for emergency admissions under sections 253B.05 and 253B.11, or when authorized by the commissioner, a chemical dependency program must not admit a chemically dependent person unless the cost of services will be paid for by private money or nongovernmental third-party payments, the person has been placed by a county or a federally recognized tribal unit that is responsible for payment, or the hospital obtains approval of the admission from the county financially responsible for the person. The commissioner shall maintain and enhance cooperative and effective relationships between counties and state hospitals and between the various state hospital chemical dependency programs. In carrying out this responsibility the commissioner shall maintain a regionally based system of chemical dependency programs.* When application is made to a judge of probate for admission to any of the state hospitals above named for admission thereto, if he finds that the person for whom application is made has not such residence, or that his residence cannot be ascertained, he shall so report to the commissioner; and he may recommend that such person be admitted notwithstanding, giving his reasons therefor. The commissioner of human services shall thereupon investigate the question of residence and, if he finds that such person has not such residence and has a legal residence in another state or country, he may cause him to be returned thereto at the expense of this state.

Sec. 4. Minnesota Statutes 1985 Supplement, section 246.50, is amended by adding a subdivision to read:

Subd. 9. "Chemical dependency programs" means all planned services for chemically dependent persons provided by the commissioner in a specific state hospital, the chemical dependency unit operated by the Ah-Gwah-Ching nursing home, and diagnostic evaluation, prevention, referral, outpatient, or aftercare services developed as part of licensed residential or nonresidential chemical dependency treatment programs.

Sec. 5. Minnesota Statutes 1984, section 246.51, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURES.] The commissioner shall make investigation as necessary to determine, and as circumstances require redetermine, what part of the cost of care, if any, the patient is able to pay. If the patient is unable to pay the full cost of care the commissioner shall make a determination as to the ability of the relatives to pay. The patient or relatives or both shall provide the commissioner documents and proofs necessary to determine their ability to pay. Failure to provide the commissioner with sufficient information to determine ability to pay may make the patient or relatives, both, liable for the full (PER CAPITA) cost of care until the time when sufficient information is provided. No parent shall be liable for the cost of care given a patient at a state hospital after the patient has reached the age of 18 years. The commissioner's determination shall be conclusive in any action to enforce payment of the cost of care unless appealed from as provided in section 246.55. All money received, *except for chemical dependency receipts*, shall be paid to the state treasurer and placed in the general fund of the state and a separate account kept of it. Responsibility under this section shall not apply to those relatives having gross earnings of less than \$11,000 per year.

Sec. 6. Minnesota Statutes 1985 Supplement, section 246.54, is amended to read:

246.54 [LIABILITY OF COUNTY; REIMBURSEMENT.]

Except for chemical dependency services provided under chapter 254B, the patient's or resident's county shall pay to the state of Minnesota a portion of the cost of care provided in a state hospital to a patient or resident legally settled in that county. A county's payment shall be made from the county's own sources of revenue and payments shall be paid as follows: payments to the state from the county shall equal ten percent of the per capita rate, as determined by the commissioner, for each day, or the portion thereof, that the patient or resident spends at a state hospital. If payments received by the state under sections 246.50 to 246.53 exceed 90 percent of the per capita rate, the

county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the patient or resident, the patient's or resident's estate, or from the patient's or resident's relatives, except as provided in section 246.53. No such payments shall be made for any patient or resident who was last committed prior to July 1, 1947.

Sec. 7. [246.64] [CHEMICAL DEPENDENCY SERVICE AGREEMENTS.]

Subdivision 1. [CHEMICAL DEPENDENCY RATES.] Notwithstanding sections 246.50, subdivision 5; 246.511; and 251.011; the commissioner shall establish separate rates for each chemical dependency service operated by the commissioner and may establish separate rates for each service component within the program by establishing fees for services or different per diem rates for each separate chemical dependency unit within the program based on actual costs attributable to the service or unit. The rate must allocate the cost of all anticipated maintenance, treatment, and expenses including depreciation of buildings and equipment, interest paid on bonds issued for capital improvements for chemical dependency programs, reimbursement and other indirect costs related to the operation of chemical dependency programs other than that paid from the Minnesota state building fund, and losses due to bad debt. The rate must not include allocations of chaplaincy, patient advocacy, or quality assurance costs that are not required for chemical dependency licensure by the commissioner or certification for chemical dependency by the Joint Commission on Accreditation of Hospitals. Notwithstanding any other law, the commissioner shall treat these costs as nonhospital department expenses.

Subd. 2. [DEPRECIATION COLLECTIONS.] Beginning July 1, 1987, depreciation collected under subdivision 1 must be credited to the general fund and principal and interest on the bonded debt collected under subdivision 1 must be deposited in the state bond fund.

Subd. 3. [RESPONSIBILITIES OF COMMISSIONER.] The commissioner shall credit all receipts from billings for rates set in subdivision 1, except those credited according to subdivision 2, to the chemical dependency fund. This money must not be used for a hospital activity that is not a chemical dependency service or an allocation of expenditures that are included in the base for computation of the rates under subdivision 1. The commissioner may expand chemical dependency services so long as expenditures are recovered by patient fees, transfer of funds, or supplementary appropriations. The commissioner may expand or reduce chemical dependency staff complement as long as expenditures are recovered by patient fees, transfer of funds, or supplementary appropriations. An increase or decrease in chemical dependency staff shall not result in an increase or decrease in staff in any facility or unit not providing chemical depen-

dency services. Notwithstanding chapters 176 and 268, the commissioner shall provide for the self-insurance of state hospital chemical dependency programs for the costs of unemployment compensation and workers' compensation claims. The commissioner shall provide a biennial report to the chairs of the senate finance subcommittee on health and human services, the house of representatives health and human services division of appropriations, and the senate and house of representatives health and human services committees.

Subd. 4. [TRADE SECRET INFORMATION.] Notwithstanding any law to the contrary, data concerning matters affecting the competitive position of the chemical dependency programs is "trade secret information" for purposes of classification under section 13.37, subdivision 2.

Sec. 8. [254B.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 8 to 20.

Subd. 2. [AMERICAN INDIAN.] For purposes of services provided under section 16, subdivision 7, "American Indian" means a person who is a member of an Indian tribe, and the commissioner shall use the definitions of "Indian" and "Indian tribe" and "Indian organization" provided in Public Law Number 93-638. For purposes of services provided under section 16, subdivision 4, "American Indian" means a resident of federally recognized tribal lands who is recognized as an Indian person by the federally recognized tribal governing body.

Subd. 3. [CHEMICAL DEPENDENCY SERVICES.] "Chemical dependency services" means a planned program of care for the treatment of chemical dependency or chemical abuse to minimize or prevent further chemical abuse by the person. Diagnostic, evaluation, prevention, referral, detoxification, and aftercare services that are not part of a program of care licensable as a residential or nonresidential chemical dependency treatment program are not chemical dependency services for purposes of this section.

Subd. 4. [COMMISSIONER.] Unless otherwise indicated, "commissioner" means the commissioner of human services.

Subd. 5. [LOCAL AGENCY.] "Local agency" means the agency designated by a board of county commissioners or a human services board to make placements and submit state invoices according to sections 8 to 20.

Subd. 6. [LOCAL MONEY.] "Local money" means county levies, community social services block grants, federal social services money, or other money that may be spent at county discre-

tion to provide chemical dependency services eligible for payment according to sections 8 to 20.

Sec. 9. [254B.02] [CHEMICAL DEPENDENCY ALLOCATION PROCESS.]

Subdivision 1. [CHEMICAL DEPENDENCY TREATMENT ALLOCATION.] The commissioner shall annually divide the money available in the chemical dependency fund that is not held in reserve by counties from a previous allocation. Twelve percent of the money must be reserved for treatment of American Indians by eligible vendors under section 20. The remainder of the money must be allocated among the counties according to the following formula, using state demographer data and other data sources determined by the commissioner:

(a) The county non-Indian and over age 14 per capita-months of eligibility for aid to families with dependent children, general assistance, and medical assistance is divided by the total state non-Indian and over age 14 per capita-months of eligibility to determine the caseload factor for each county.

(b) The average median family income for the previous three years for the state is divided by the average median family income for the previous three years for each county to determine the income factor.

(c) The non-Indian and over age 14 population of the county is multiplied by the sum of the income factor and the caseload factor to determine the adjusted population.

(d) \$15,000 shall be allocated to each county.

(e) The remaining funds shall be allocated proportional to the county adjusted population.

Subd. 2, [COUNTY ADJUSTMENT; MAXIMUM ALLOCATION.] The commissioner shall determine the state money used by each county in fiscal year 1986, using all state data sources. If available records do not provide specific chemical dependency expenditures for every county, the commissioner shall determine the amount of state money using estimates based on available data. In state fiscal year 1988, a county must not be allocated more than 150 percent of the state money spent by or on behalf of the county for chemical dependency treatment services eligible for payment under section 12. The allocation maximums must be increased by 25 percent each year. After fiscal year 1992, there must be no allocation maximum. The commissioner shall reallocate the excess over the maximum to counties allocated less than the fiscal year 1986 state money, using the following process:

(a) *The allocation is divided by 1985 state expenditures to determine percentage of prior expenditure, and counties are ranked by percentage of prior expenditure.*

(b) *The allocation of the lowest ranked county is raised to the same percentage of prior expenditure as the second lowest ranked county. The allocation of these two counties is then raised to the percentage of prior expenditures of the third lowest ranked county.*

(c) *The operations under paragraph (b) are repeated with each county by ranking until the money in excess of the allocation maximum has been allocated.*

Subd. 3. [RESERVE ACCOUNT.] The commissioner shall allocate money from the reserve account to counties that, during the current fiscal year, have met or exceeded the base level of expenditures for eligible chemical dependency services from local money. The commissioner shall establish the base level for fiscal year 1988 as the amount of local money used for eligible services in calendar year 1986. In later years, the base level must be increased in the same proportion as state appropriations to implement sections 8 to 20 are increased. The base level must not be decreased if appropriations are decreased in later years. The local match rate for the reserve account is the same rate as applied to the initial allocation. Reserve account payments must not be included when calculating the county adjustments made according to subdivision 2.

Subd. 4. [ALLOCATION SPENDING LIMITS.] Money allocated according to subdivision 1 and section 16, subdivision 4, is available for payments for up to two years. The commissioner shall deduct payments from the most recent year allocation in which money is available. Allocations under this section that are not used within two years must be reallocated to the reserve account for payments under subdivision 3. Allocations under section 16, subdivision 4, that are not used within two years must be reallocated for payments under section 16, subdivision 5.

Subd. 5. [ADMINISTRATIVE ADJUSTMENT.] The commissioner may make payments to local agencies from money allocated under this section to support administrative activities under sections 10 and 11. The administrative payment must not exceed five percent of the first \$50,000, four percent of the next \$50,000, and three percent of the remaining county allocation and must not be paid if the level of expenditures indicates that the allocation for the year will be exhausted by payments for services from the allocation. Twenty-five percent of the administrative allowance shall be advanced at the beginning of each year and remaining payments must be made under this section at the end of each quarter from any unspent allocation for that year.

Sec. 10. [254B.03] [RESPONSIBILITY TO PROVIDE CHEMICAL DEPENDENCY TREATMENT.]

Subdivision 1. [LOCAL AGENCY DUTIES.] (a) Every local agency shall provide chemical dependency services to persons residing within its jurisdiction who meet criteria established by the commissioner for placement in a chemical dependency residential or nonresidential treatment service. Chemical dependency money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.01 to 14.69.

(b) In order to contain costs, the county board shall, with the approval of the commissioner of human services, select eligible vendors of chemical dependency services who can provide economical care. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 12. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.

Subd. 2. [CHEMICAL DEPENDENCY SERVICES.] (a) Payment from the chemical dependency fund is limited to payments for services other than detoxification that, if located outside of federally recognized tribal lands, would be required to be licensed by the commissioner as a residential or nonresidential treatment program under sections 245.781 to 245.812. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245.791. Vendors receiving payments from the chemical dependency fund must not require copayment from a recipient of benefits for services provided under this subdivision.

(b) A county may, from its own resources, provide chemical dependency services for which state payments are not made.

(c) The commissioner shall coordinate chemical dependency services and determine whether there is a need for any proposed expansion of chemical dependency treatment services. The commissioner shall deny vendor certification to any provider that has not received prior approval from the commissioner for the creation of new programs or the expansion of existing program capacity. The commissioner shall consider the provider's capacity to obtain clients from outside the state based on plans, agreements, and previous utilization history, when determining the need for new treatment services.

Subd. 3. [LOCAL AGENCIES TO PAY STATE FOR COUNTY SHARE.] Local agencies shall submit invoices to the

state on forms supplied by the commissioner and according to procedures established by the commissioner. Local agencies shall pay the state for the county share of the invoiced services.

Subd. 4. [DIVISION OF COSTS.] The county shall, out of local money, reimburse the state for 15 percent of the cost of chemical dependency services costs paid by the state under this section. Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section. Fifteen percent of any state collections from private or third-party pay must be distributed to the county that paid for the treatment under this section. If all funds allocated according to section 9 are exhausted by a county and the county has met or exceeded the base level of expenditures under section 9, subdivision 3, the county shall reimburse the state for 15 percent of the costs paid by the state under this section. The commissioner may refuse to pay state funds for services to persons not eligible under section 11, subdivision 1, if the commissioner determines that funds will otherwise not be available for persons who are entitled to chemical dependency fund services.

Subd. 5. [RULES; APPEAL.] The commissioner shall adopt rules as necessary to implement sections 8 to 20. The commissioner shall establish an appeals process for use by vendors or recipients when services certified by the county are disputed. The commissioner may adopt rules and standards for the appeal process to assure adequate redress for persons referred to inappropriate services.

Subd. 6. [PILOT PROJECTS.] The commissioner may transfer funds for chemical dependency services from the general fund appropriations for the general assistance, general assistance medical care, and medical assistance programs for pilot projects to design and test procedures needed to implement this legislation. The commissioner shall exempt funds from these sources that are used in pilot projects from relevant provisions of state laws and rules governing the use of these funds. The commissioner may make grants and contracts for this purpose, and the provisions of chapter 14 shall not apply to the procedures and criteria used to implement pilot projects.

Subd. 7. [COMMISSIONER REVIEW; COMPLAINTS.] The commissioner shall:

(1) provide training and assistance to counties on procedures for processing placements and making payments;

(2) visit facilities and review records as necessary to determine compliance with procedures established by law and rule;

(3) take complaints from vendors and recipients and investigate county placement activities as needed to determine compliance with law and rule.

Counties and vendors shall make regular reports as required by the commissioner to facilitate commissioner review.

Subd. 8. [REPORT TO LEGISLATURE.] The commissioner shall report to the legislature each biennium beginning in 1989 on chemical dependency services provided and expenditures made, and shall make recommendations regarding funding levels and new legislation.

Sec. 11. [254B.04] [ELIGIBILITY FOR CHEMICAL DEPENDENCY FUND SERVICES.]

Subdivision 1. [ELIGIBILITY.] Persons eligible for benefits under sections 256D.01 to 256D.21 and persons eligible for federal health care benefits under section 256B.06 are entitled to chemical dependency fund services.

Subd. 2. [AMOUNT OF CONTRIBUTION.] The commissioner shall adopt a sliding fee scale to determine the amount of contribution to be required from persons whose income and non-exempt property are greater than the standard of assistance under sections 256B.06 and 256D.01 to 256D.21. The commissioner may adopt an existing fee scale from another assistance program or from the state facilities by publication in the state register. The fee scale must not provide assistance to persons whose income is more than 115 percent of the state median income. Payments of liabilities under this section are medical expenses for purposes of determining spend-down under sections 256B.06 and 256D.01 to 256D.21.

Sec. 12. [254B.05] [VENDOR ELIGIBILITY.]

Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245.791. American Indian programs that, if located outside of federally recognized tribal lands, would be required to be licensed to provide chemical dependency primary treatment, extended care, transitional residence, or outpatient treatment services, are eligible vendors. Detoxification programs are not eligible vendors. Programs that, if located outside of federally recognized tribal lands, would not be licensed as a chemical dependency residential or nonresidential treatment program under sections 245.781 to 245.812 are not eligible vendors. To be eligible for payment under the Consolidated Chemical Dependency Treatment Fund, a vendor must participate in the Drug and Alcohol Abuse Normative Evaluation System or a comparable system determined by the commissioner.

Sec. 13. [254B.06] [REIMBURSEMENT; PAYMENT; DENIAL.]

Subdivision 1. [STATE COLLECTIONS.] The commissioner is responsible for all collections from persons determined to be partially responsible for the cost of care of an eligible person receiving services under sections 8 to 20. The commissioner may collect all third-party payments for chemical dependency services provided under sections 8 to 20, including private insurance and federal medicaid and medicare financial participation. The commissioner shall deposit in the general fund a percentage of collections to pay for the cost of billing and collections. The remaining receipts must be deposited in the chemical dependency fund.

Subd. 2. [ALLOCATION OF COLLECTIONS.] The commissioner shall allocate all federal financial participation collections to the reserve fund under section 9, subdivision 3. The commissioner shall retain 85 percent of patient payments and third-party payments and allocate the collections to the treatment allocation for the county that is financially responsible for the person. Fifteen percent of patient and third-party payments must be paid to the county financially responsible for the patient. Collections for patient payment and third-party payment for services provided under section 16 shall be allocated to the allocation of the tribal unit which placed the person. Collections of federal financial participation for services provided under section 16 shall be allocated to the tribal reserve account under section 16, subdivision 5.

Subd. 3. [PAYMENT; DENIAL.] The commissioner shall pay eligible vendors for placements made by local agencies under section 10, subdivision 1, and placements by tribal designated agencies according to section 16. The commissioner may reduce or deny payment of the state share when services are not provided according to the placement criteria established by the commissioner. The commissioner may pay for all or a portion of improper county chemical dependency placements and bill the county for the entire payment made when the placement did not comply with criteria established by the commissioner.

Sec. 14. [254B.07] [THIRD-PARTY LIABILITY.]

The state agency provision and payment of, or liability for, chemical dependency medical care is the same as in section 256B.042.

Sec. 15. [254B.08] [FEDERAL WAIVERS.]

The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation for the provision of services to persons who need chemical dependency services. The commissioner may seek amendments to the waivers or apply for additional waivers to contain costs. The commissioner shall ensure that payment for the cost of providing chemical dependency services under the

federal waiver plan does not exceed the cost of chemical dependency services that would have been provided without the waived services.

Sec. 16. [254B.09] [INDIAN RESERVATION ALLOCATION OF CHEMICAL DEPENDENCY FUND.]

Subdivision 1. [AMERICAN INDIAN CHEMICAL DEPENDENCY ACCOUNT.] The commissioner shall pay eligible vendors for chemical dependency services to American Indians on the same basis as other payments, except that no local match is required when an invoice is submitted by the governing authority of a federally recognized American Indian tribal body on behalf of a current resident of the reservation under this section.

Subd. 2. [AMERICAN INDIAN AGREEMENTS.] The commissioner may enter into agreements with federally recognized tribal units to pay for chemical dependency treatment services provided under sections 8 to 20. The agreements must require the governing body of the tribal unit to fulfill all county responsibilities regarding the form and manner of invoicing, and provide that only invoices for eligible vendors according to section 12 will be included in invoices sent to the commissioner for payment, to the extent that money allocated under subdivision 3 is used.

Subd. 3. [TRIBAL NONPARTICIPATION.] If a federally recognized tribal governing body has not entered into an agreement under subdivision 2 or cancels the agreement, money must be reallocated to the account established by subdivision 5.

Subd. 4. [TRIBAL ALLOCATION.] 42.5 percent of the American Indian chemical dependency account must be allocated to the federally recognized American Indian tribal governing bodies that have entered into an agreement under subdivision 2 as follows: \$10,000 must be allocated to each governing body and the remainder must be allocated in direct proportion to the population of the reservation according to the most recently available estimates from the federal Bureau of Indian Affairs.

Subd. 5. [TRIBAL RESERVE ACCOUNT.] The commissioner shall reserve 7.5 percent of the American Indian chemical dependency account. The reserve must be allocated to those tribal units that have used all money allocated under subdivision 4 according to agreements made under subdivision 2. An American Indian tribal governing body may receive not more than 30 percent of the reserve account in a year. Money must be allocated as invoices are received.

Subd. 6. [AMERICAN INDIAN TRIBAL PLACEMENTS.] After entering into an agreement under subdivision 2, the governing authority of each reservation may submit invoices to the state for the cost of providing chemical dependency services to

residents of the reservation according to the placement regulations governing county placements, except that local match requirements are waived. The governing body may designate an agency to act on its behalf to provide placement services and manage invoices by written notice to the commissioner and evidence of agreement by the agency designated.

Subd. 7. [NONRESERVATION INDIAN ACCOUNT.]
Fifty percent of the American Indian chemical dependency allocation must be held in reserve by the commissioner in an account for treatment of Indians not residing on lands of a reservation receiving money under subdivision 4. This money must be used to pay for services certified by county invoice to have been provided to an American Indian eligible recipient. Money allocated under this subdivision may be used for payments on behalf of American Indian county residents only if, in addition to other placement standards, the county certifies that the placement was appropriate to the cultural orientation of the client.

Sec. 17. Minnesota Statutes 1985 Supplement, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.]
"Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of this cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in the State Register a proposed list of elective surgeries that require a second medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal;

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 256B.50, subdivision 1, for persons with mental retardation or related conditions who are residing in intermediate care facilities for persons with mental retardation or related conditions. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562;

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-di-

rected clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section;

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2;

(6) Home health care services;

(7) Private duty nursing services;

(8) Physical therapy and related services;

(9) Dental services, excluding cast metal restorations;

(10) Laboratory and X-ray services;

(11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be 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 nurs-

ing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may 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. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, 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, prenatal vitamins, and vitamins for children under the age of seven; or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, 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. 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 his 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.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. 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" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act;

(12) Diagnostic, screening, and preventive services;

(13) 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;

(14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion;

(15) 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 clause, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory;

(16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care;

(17) Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies; and

(18) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law, *except licensed chemical dependency treatment programs or primary treatment or extended care treatment units in hospitals that are covered under sections 8 to 20. The commissioner shall include chemical dependency services in the state medical assistance plan for federal reporting purposes, but payment must be made under sections 8 to 20.*

Sec. 18. Minnesota Statutes 1984, section 256B.70, is amended to read:

256B.70 [DEMONSTRATION PROJECT WAIVER.]

Each hospital that participates as a provider in a demonstration project, established by the commissioner of human services to deliver medical assistance, *or chemical dependency services on a prepaid, capitation basis, is exempt from the prospective payment system for inpatient hospital service during the period of its participation in that project.*

Sec. 19. Minnesota Statutes 1985 Supplement, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and X-ray services, physician's services, medical transportation, chiropractic services as covered under the medical assistance program, podiatric services, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) 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 pro-

vide 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 section 256B.02, subdivision 8. The rates payable under this section must be calculated according to section 256.966, subdivision 2.

(c) 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.

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.

(d) Any county may, from its own resources, provide medical 5 payments for which state payments are not made.

(e) *Chemical dependency services that are reimbursed under sections 8 to 20 must not be reimbursed under general assistance medical care.*

Sec. 20. Minnesota Statutes 1984, section 256E.08, subdivision 7, is amended to read:

Subd. 7. [COUNTY OF FINANCIAL RESPONSIBILITY.]

(a) Except as described in paragraphs (b) and (c), the county responsible for payment for community social services is the county in which the recipient of services resides at the time of application if the applicant is not in a facility described in section 256B.02, subdivision 2, or has never resided in this state other than in such a facility. If the applicant is in a facility described in section 256B.02 and has previously resided in this state without being in such a facility, then the county of financial responsibility is the county in which he or she resided immediately before entering the facility. The county of financial responsibility does not change as a result of referral or approval of referral for services to another county by the county of financial responsibility. Minors are considered as residing in the county in which their parents or guardians reside. When a minor reaches the age of 18, the county of financial responsibility is the county in which the minor resides. If a person continues in residential care or treatment after reaching the age of 18, the county which initiated the treatment is the county of financial responsibility. When there is a dispute as to the county of financial responsibility, the county providing or arranging for services shall pay for them pending final determination of the county of residence. Disputes concerning the county of financial responsibility shall be settled in the manner prescribed in section 256D.18, subdivision 4. When the county board providing the care or service is not the county of the minor's legal residence, it has a claim for recovery of costs upon the county where the minor has residence.

(b) The county of financial responsibility for detoxification services *and chemical dependency emergency admissions* is the

county where the client is when the need for services is identified. If the client is a resident of a chemical dependency facility, paragraph (a) applies.

(c) The county of financial responsibility for social services for a person receiving aid to families with dependent children, general assistance, or medical assistance is the county from which that person is receiving the aid or assistance.

Sec. 21. [APPROPRIATIONS.]

Subdivision 1. [CHEMICAL DEPENDENCY FUND.] The general fund appropriations for the general assistance, general assistance medical care, and medical assistance programs are reduced by the amount attributable to chemical dependency services covered under chapter 254B and this amount is reappropriated to the commissioner of human services for transfer to the chemical dependency fund.

The general fund appropriation for the state hospital account is reduced by the amount attributable to chemical dependency programs and this amount is reappropriated to the commissioner of human services for transfer to the chemical dependency fund. This amount must be increased by the amount of salary supplement funds allocated for chemical dependency services in fiscal year 1988.

Notwithstanding any other law, \$1,050,000 of the federal alcohol and drug block grant is appropriated to the commissioner of human services for the chemical dependency fund.

Subd. 2. [AMERICAN INDIAN GRANTS.] The general fund appropriation for chemical dependency services grants for American Indians is reduced by \$640,000 and reappropriated to the commissioner of human services for transfer to the chemical dependency services fund.

Sec. 22. [EXEMPTION.]

Medical assistance funding for all intermediate care facilities providing chemical dependency services on or before January 1, 1986, shall be exempted from the provisions of sections 8 to 20. The commissioner shall include in the biennial report required under section 10, subdivision 7, recommendations regarding the necessity for continuing this exception beyond July 1, 1989.

Sec. 23. [SUNSET.]

The new sections and subdivisions and amendments enacted by sections 1 to 22 are repealed July 1, 1987, unless adequate forward funding is appropriated to assure start-up and operation of state hospital chemical dependency programs.

Sec. 24. [EFFECTIVE DATE.]

Section 10, subdivision 6, and section 15 are effective the day following final enactment. Sections 1, 2, 4, and 5 are effective January 1, 1987. Sections 3 and 6 to 20 are effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to human services; providing state hospital revolving fund for chemical dependency; creating a consolidated fund for payment of chemical dependency treatment; appropriating money to counties for treatment; providing for client eligibility, vendor eligibility, and state collections; providing for American Indian special funding; removing chemical dependency treatment from medical assistance, general assistance medical care, and general assistance funding; amending Minnesota Statutes 1984, sections 246.04; 246.18; 246.51, subdivision 1; 256B.70; and 256E.08, subdivision 7; amending Minnesota Statutes 1985 Supplement, sections 246.23; 246.50, by adding a subdivision; 246.54; 256B.02, subdivision 8; and 256D.-03, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 246; and proposing coding for new law as Minnesota Statutes, chapter 254B."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1016, A bill for an act relating to animals; prohibiting transfer of certain animals for use in research; regulating dealers in certain animals; amending Minnesota Statutes 1984, section 35.71.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 35.71, is amended to read:

35.71 [UNCLAIMED AND UNREDEEMED ANIMALS IMPOUNDED; SCIENTIFIC USE OR OTHER DISPOSITION.]

Subdivision 1. [DEFINITIONS.] As used in this section, *the following terms have the meanings given them:*

(a) *“Adoption” means the delivery of a dog or cat to a person 18 years of age or older to be kept as a pet or companion animal.*

(b) *“Cat” means any member of the felid family except those specifically raised for experimentation, teaching, or research.*

(c) *“Dealer” means any person who is licensed or required to be licensed under the federal Animal Welfare Act who buys or sells dogs or cats to institutions or other dealers. “Dealer” does not include a person who sells dogs or cats to individuals to be kept as pets or a nonprofit organization devoted to the placement of pets and companion animals.*

(d) *“Dog” means any member of the canid family except those specifically raised for experimentation, teaching, or research.*

(e) *“Establishment” means any public or private agency, person, society, or corporation having custody of animals which are seized under the authority of the state or any political subdivision of the state (AND).*

(f) *“Institution” means a school or college of agriculture, veterinary medicine, medicine, pharmacy, or dentistry, or an educational or scientific establishment properly concerned with investigation or instruction concerning the structure or functions of living organisms or the cause, prevention, control, or cure of diseases or abnormal conditions of human beings or animals.*

Subd. 2. [APPLICATION FOR LICENSE.] An institution may apply to the board for a license to obtain animals, *other than dogs or cats*, from establishments. If, after investigation, the board finds that the institution requesting a license is a fit and proper agency to receive a license, and that the public interest will be served by granting it a license, the board may issue a license to the institution authorizing it to obtain animals under this section.

Subd. 3. [STRAY ANIMALS; SEIZURE, DISPOSITION.] All animals seized by public authority must be held for redemption by the owner for at least five regular business days of the impounding agency or for a longer time specified by municipal ordinance. For the purpose of this subdivision, “regular business day” means a day during which the establishment having custody of an animal is open to the public not less than four consecutive hours between the hours of 8:00 A.M. and 7:00 P.M. Establishments must maintain the following records of the animals in custody, and preserve the records for at least six months:

(a) the description of the animal by species, breed, sex, approximate age, and other distinguishing traits;

- (b) the location at which the animal was seized;
- (c) the date of *the* seizure;
- (d) the name and address of the person from whom any animal three months of age or over was received;
- (e) the name and address of the person to whom any animal three months of age or over was transferred.

The records must be maintained in a form permitting easy perusal by the public. A person may view the records and animals in custody at any time during which the establishment is open to the public. At the end of the five-day period, all animals, *other than dogs and cats*, which remain unredeemed must be made available to any licensed institution which has requested that number of animals. However, if a tag affixed to the animal or a statement by the animal's owner after the animal's seizure specifies that the animal may not be used for research, the animal must not be made available to any institution and may, in the discretion of the establishment, be destroyed after the expiration of the five-day period. If a request is made by a licensed institution to an establishment for more animals than are available at the time of the request, the establishment must withhold from destruction all unclaimed and unredeemed animals until the request has been filled. The actual expense of holding animals beyond the time of notice to the institution of their availability must be borne by the institution receiving them. An establishment which fails or refuses to comply with this section is ineligible for any further public funds from any county or municipality. Upon receipt of a sworn statement by an authorized officer or employee of a licensed institution of noncompliance by any establishment with this section, the treasurer of any municipality or other political subdivision of the state may not pay any public funds to the establishment until the complainant withdraws its statement of noncompliance or until the board either determines that the complaint of noncompliance was without foundation or that the establishment has given adequate assurance of future compliance and the treasurer of the municipality or other political subdivision has been notified of the determination in writing. If it appears upon a person's complaint that an officer, agent, or employee of an establishment is violating or failing to carry out the provisions of this section, the attorney general or county attorney of the county in which the establishment is located, in addition to any other remedies, may bring an action in the name of the state against the establishment, officer, agent, or employee to enjoin compliance with this section.

Subd. 4. [TRANSPORTATION OF ANIMALS.] A licensed institution must provide, at its own expense, for the transportation of animals from the establishment to the institution and must use them only in the conduct of its scientific and educational activities.

Subd. 5. [ANNUAL LICENSE FEE.] Each licensed institution must pay to the board a license fee of \$50 for each calendar year or part of a calendar year. License fees must be deposited in the general fund of the state treasury.

Subd. 6. [REVOCAION OF LICENSE.] After 15 days' written notice and an opportunity to be heard, the board may revoke the license granted any institution if the institution has (1) violated this section, or (2) failed to comply with the conditions of the board in respect to the issuance of its license.

Subd. 7. [DISPOSITION OF DOGS AND CATS.] *Any dog or cat not redeemed by its owner after five days must either be placed for adoption under the procedures of the establishment or be euthanized humanely.*

Subd. 8. [EXPERIMENTATION PROHIBITED.] *It is unlawful for any establishment or any person acting under the authority of an establishment to sell, give away, transfer, or otherwise make available any dog or cat coming into its possession for the purpose of experimentation, teaching, or research. It is unlawful for any person, firm, corporation, association, dealer, or institution to accept any dog or cat from any person or establishment by gift, sale, or transfer for the purpose of experimentation, teaching, or research, either directly or indirectly. This section does not prohibit the owner of a dog or cat from donating the dog or cat to a legally licensed supplier of dogs or cats.*

Subd. 9. [RESTRICTION ON PETS IN RESEARCH.] *Beginning July 1, 1987, no person or institution may accept dogs or cats for the purpose of experimentation, teaching, or research from any source including dealers and establishments, whether located inside or outside Minnesota, unless the dogs or cats can be shown to have been raised specifically for the purpose of experimentation and research, and no person may sell or distribute to a destination in Minnesota or elsewhere, any dogs or cats for the purpose of experimentation, teaching, or research unless the dogs or cats can be shown to have been raised specifically for the purpose of experimentation, teaching, or research.*

Subd. 10. [NO ESTABLISHMENT TO BE A DEALER.] *No establishment or person who has an interest in or who is employed by an establishment may be a dealer.*

Subd. 11. [DEALERS TO PROVIDE PUBLIC ACCESS.] *A person may view dogs and cats in the custody of a dealer during the time the dealer is open to the public. Dealers are required to be open at least four consecutive hours between 8:00 a.m. and 7:00 p.m. on at least five of the seven days of each week.*

Subd. 12. [RULES.] The board may adopt rules consistent with this section necessary to carry out the provisions of this sec-

tion, and may, if the board considers it advisable or in the public interest, inspect or investigate any institution which has applied for a license or has been granted a license under this section.

Subd. (8) 13. [PENALTY.] It is a misdemeanor for any person or corporation to violate this section."

Delete the title and insert:

"A bill for an act relating to animals; prohibiting transfer of certain animals for use in experimentation, teaching, or research; imposing penalties; amending Minnesota Statutes 1985 Supplement, section 35.71."

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1568, A bill for an act relating to elections; making certain changes in the ethics in government act; amending Minnesota Statutes 1984, sections 10A.01, subdivision 2; 10A.02, subdivision 11, and by adding a subdivision; 10A.04, subdivision 4a; 10A.18; 10A.20, subdivisions 3, 5, and 12; 10A.24; 10A.27, subdivision 1; and 210A.24; repealing Minnesota Statutes 1984, sections 10A.02, subdivision 11a; and 10A.25, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 10A.01, subdivision 2, is amended to read:

Subd. 2. "Administrative action" means an action by any official, board, commission or agency of the executive branch to adopt, amend, or repeal a rule pursuant to chapter 14 (. "ADMINISTRATIVE ACTION" DOES NOT INCLUDE THE APPLICATION OR ADMINISTRATION OF AN ADOPTED RULE, EXCEPT IN CASES OF RATE SETTING, POWER PLANT AND POWERLINE SITING AND GRANTING OF CERTIFICATES OF NEED UNDER CHAPTER 116J) or an action pursuant to sections 14.57 to 14.62.

Sec. 2. Minnesota Statutes 1984, section 10A.02, is amended by adding a subdivision to read:

Subd. 8a. *In compiling and maintaining the lists and summaries required in subdivision 8, clause (g), the board may*

maintain a group of as many lists of contributors as a candidate has filed during the year under section 10A.20, subdivisions 2, and 3, clause (b), rather than blending the lists together into a single, current alphabetical list of contributors for the year.

Sec. 3. Minnesota Statutes 1984, section 10A.02, subdivision 11, is amended to read:

Subd. 11. The board may investigate any alleged violation of this chapter. The board shall investigate any violation which is alleged in a written complaint filed with the board and, except for alleged violations of section 10A.25 or 10A.27, shall within 30 days after the filing of the complaint make a public finding of whether or not there is probable cause to believe a violation has occurred. In the case of a written complaint alleging a violation of section 10A.25 or 10A.27, the board shall either enter a conciliation agreement or make a public finding of whether or not there is probable cause, within 60 days of the filing of the complaint. The deadline for action on any written complaint may be extended by majority vote of the board. Within a reasonable time after beginning an investigation of an individual or association, the board shall notify that individual or association of the fact of the investigation. The board shall make no finding of whether or not there is probable cause to believe a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations. Any hearing or action of the board concerning any complaint or investigation other than a finding concerning probable cause or a conciliation agreement shall be confidential. Until the board makes a public finding concerning probable cause or enters a conciliation agreement:

(a) No member, employee or agent of the board shall disclose to any individual any information obtained by that member, employee or agent concerning any complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by this chapter;

(b) (NO) *After an individual (WHO) files (OR IS THE SUBJECT OF) any written complaint or supplies information to the board concerning a complaint or investigation, the individual shall not disclose to any other individual any information supplied to or received from the board concerning the complaint or investigation; (AND)*

(c) *Any notification or investigation made under this subdivision must not be made public by the board or by any person without the written consent of the person receiving the notification or the person with respect to whom the investigation is made; and*

(d) Notwithstanding the provisions of clause (b), any individual subject to the provisions of that clause may reveal any

information to his attorney or another individual from whom he seeks advice or guidance in the matter, or to any other individual who is subject to the provisions of clause (b) with respect to the same complaint or investigation; provided that any individual to whom information concerning a complaint or investigation is revealed as provided in this clause shall not disclose that information to any other individual. Any individual who discloses information contrary to the provisions of this subdivision shall be guilty of a misdemeanor. Except as provided in section 10A.28, after the board makes a public finding of probable cause the board shall report that finding to the appropriate law enforcement authorities.

Sec. 4. Minnesota Statutes 1984, section 10A.04, subdivision 4a, is amended to read:

Subd. 4a. [STATEMENT IN LIEU OF REPORT.] If in any reporting period the lobbyist's reportable disbursements total not over \$100 and no honorarium, gift, loan, item, or benefit equal in value to \$20 or more was given or paid to any public official, a statement to that effect in lieu of the report may be filed for that period. The unreported disbursements shall be included in the report for the following period, unless the total for that period, including the carryover, is not over \$100. The (OCTOBER) *January* 15 report shall include all previously unreported disbursements, even though the total for the *preceding* year (IS) *was* not over \$100.

Sec. 5. Minnesota Statutes 1984, section 10A.18, is amended to read:

10A.18 [BILLS WHEN RENDERED AND PAID.]

Every person who has a bill, charge or claim against any political committee or political fund for any expenditure shall, *to the extent practicable*, render in writing to the treasurer of the committee or fund the bill, charge or claim within 60 days after the material or service is provided. (FAILURE TO SO PRESENT THE BILL, CHARGE OR CLAIM IS A MISDEMEANOR.)

Sec. 6. Minnesota Statutes 1984, section 10A.20, subdivision 3, is amended to read:

Subd. 3. 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, *and the name and address of each* 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 (\$50) \$100 for legislative candidates or (\$100) \$200 for 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. *On each report, the names of contributors shall be listed in alphabetical order. The reports due ten days before the primary in an election year and seven days before a special primary must disclose the name of all contributors subject to disclosure under this paragraph and the aggregate amount of transfers and donations in kind from each of those contributors since the beginning of the year. The reports due ten days before a general election and seven days before a special election must disclose either the names of all contributors subject to disclosure under this paragraph and the aggregate amount of transfers and donations in kind from each of those contributors since the beginning of the year or the names of all contributors subject to disclosure under this paragraph since the most recent report and the aggregate amount of transfers and donations in kind from each of those contributors since the beginning of the year. The reports due on January 31 of each year and 30 days after a special election must disclose the names of all contributors subject to disclosure under this paragraph within the reporting year and the aggregate amount of transfers and donations in kind from each of those contributors within the reporting year;*

(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 expendi-

tures, 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) For principal campaign committees only, the sum of non-campaign disbursements made in each category listed in section 10A.01, subdivision 10c during the reporting period; and

(m) The sum of all noncampaign disbursements made by the political committee, political fund, or principal campaign committee during the reporting period.

Sec. 7. Minnesota Statutes 1984, section 10A.20, subdivision 5, is amended to read:

Subd. 5. [CONTRIBUTIONS RECEIVED JUST PRIOR TO AN ELECTION.] In any statewide election any contribution or contributions from any one source totaling \$2,000 or more, or in any legislative election totaling (\$200 OR MORE) *more than \$400 to a candidate for state house of representatives or more than \$400 to a candidate for state senate*, received between the last day covered in the last report prior to an election and the election shall be reported to the board (IN PERSON OR BY TELEGRAM WITHIN 48 HOURS AFTER ITS RECEIPT AND) *in one of the following ways:*

- (1) *in person within 48 hours after its receipt;*
- (2) *by telegram or mailgram within 48 hours after its receipt; or*
- (3) *by certified mail sent within 48 hours after its receipt.*

The 48-hour notice requirement does not apply with respect to primary elections where the statewide or legislative candidate is unopposed in that primary. The contribution shall also be reported in the next required report.

Sec. 8. Minnesota Statutes 1984, section 10A.20, subdivision 12, is amended to read:

Subd. 12. (a) The board shall notify by certified mail or personal service any individual who fails to file a statement required by this section.

(b) If an individual fails to file a statement due January 31 within seven days after receiving a notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice.

(c) If an individual fails to file a statement due before any primary or election within three days of the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of \$50 per day, not to exceed \$500, commencing on the fourth day after the date the statement was due; *except that no late filing fee may be imposed for the first violation of subdivision 5.*

(d) The board shall further notify by certified mail or personal service any individual who fails to file any statement within 14 days after receiving a first notice from the board that the individual may be subject to a criminal penalty for failure to file a statement. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 9. Minnesota Statutes 1984, section 10A.24, is amended to read:

10A.24 [DISSOLUTION OR TERMINATION.]

Subdivision 1. 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. The termination report may be made at any time and shall include all information required in periodic reports.

Subd. 2. Notwithstanding the provisions of subdivision 1, after mailing notice to any remaining creditors by certified mail, a political committee or political fund that has debts which were incurred more than six years previously, has disposed of all its assets, and has met the requirements of section 10A.20, subdivision 7, may file a termination report.

Sec. 10. Minnesota Statutes 1984, section 10A.27, subdivision 1, is amended to read:

10A.27 [(ADDITIONAL LIMITATIONS) LIMITS ON CAMPAIGN CONTRIBUTIONS AND LOANS.]

Subdivision 1. [CONTRIBUTIONS TO A CANDIDATE.] Except as provided in subdivisions 2 and 6, no candidate shall permit his principal campaign committee to accept contributions from any individual, political committee, *principal campaign committee*, or political fund in excess of the following:

(a) To candidates for governor and lieutenant governor running together, \$60,000 in an election year for the office sought and \$12,000 in other years;

(b) To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and \$300 in other years; and

(e) To a candidate for state representative, \$750 in an election year for the office sought and \$150 in the other year.

Sec. 11. [10A.271] [CONTRIBUTIONS; ADJUSTMENT BY CONSUMER PRICE INDEX.]

Subdivision 1. [CALCULATION.] The dollar amounts provided in section 10A.27, subdivision 1, shall be adjusted for the general election year 1988 and subsequent general election years as provided in this section. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from April of the last general election year to April of the year in which the determination is made. The dollar amounts used for the preceding general election year shall be multiplied by that percentage. The product of the calculation shall be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product shall be rounded up to the next highest whole dollar. The index used shall be the revised consumer price index for all

urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor with 1967 as a base year.

Subd. 2. [1986 ADJUSTMENT.] The dollar amounts provided in section 10A.27, subdivision 1, shall be adjusted for 1986 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index shall be determined from April of 1974 to April of 1986, and the adjustment shall be calculated by the executive director by June 1, 1986.

Sec. 12. Minnesota Statutes 1984, section 210A.24, is amended to read:

210A.24 [BILLS, WHEN RENDERED (AND PAID).]

Every person who (SHALL HAVE) *has* any bill, charge, or claim upon or against any personal campaign (OR) *committee, party committee, political fund, or (ANY) candidate (,) for any disbursement made, services rendered, or thing of value furnished, for political purposes, or incurred in any manner in relation to any primary or election, shall, to the extent practicable, render in writing to (SUCH) that committee, fund, or candidate (SUCH) the bill, charge, or claim within (TEN) 60 days after the day of the primary or election in connection with which (SUCH) the bill, charge, or claim was incurred. (NO CANDIDATE AND NO PERSONAL CAMPAIGN OR PARTY COMMITTEE SHALL PAY ANY BILL, CHARGE, OR CLAIM SO INCURRED PRIOR TO ANY PRIMARY OR ELECTION, WHICH IS NOT SO PRESENTED WITHIN TEN DAYS AFTER SUCH PRIMARY OR ELECTION.)*

Sec. 13. [REPEALER.]

Minnesota Statutes 1984, section 10A.25, subdivision 7, is repealed.

Sec. 14. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to elections; making certain changes in the ethics in government act; amending Minnesota Statutes 1984, sections 10A.01, subdivision 2; 10A.02, subdivision 11, and by adding a subdivision; 10A.04, subdivision 4a; 10A.18; 10A.20, subdivisions 3, 5, and 12; 10A.24; 10A.27, subdivision 1; and 210A.24; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1984, section 10A.25, subdivision 7."

With the recommendation that when so amended the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 1594, A bill for an act relating to human services; changing provisions of the aid to families with dependent children program; redefining human services assistance terms; clarifying assistance provisions; excluding certain property and income for assistance purposes; establishing a procedure for collection of overpayments; excluding certain women from work registration; changing medical assistance length of eligibility; allowing a \$50 disregard for child support; clarifies assistance application and issuance procedures; clarifying the county of responsibility; amending Minnesota Statutes 1984, sections 256.12, subdivision 20; 256.73, subdivisions 2, 3a, and 6; 256.736, subdivisions 3 and 4; 256.74, subdivisions 1, 1a, and 2; 256.76, subdivision 1; 256.78; 256.79; and 256.871, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [144.127] [INVESTIGATION OF ACQUIRED IMMUNE DEFICIENCY SYNDROME.]

Acquired immune deficiency syndrome shall be a reportable disease pursuant to Minnesota Rules, parts 4605.7000 to 4605.7800. The commissioner shall investigate the occurrence of cases, suspected cases, or carriers of acquired immune deficiency syndrome for the purpose of verification of the existence of disease, ascertaining the source of the disease causing agent, identifying unreported cases, locating contacts of cases, identifying those at risk of disease, and determining necessary control measures. Data on individuals maintained by the commissioner pursuant to an investigation or treatment of acquired immune deficiency syndrome are classified as confidential under section 13.38. Access to this data is limited exclusively to employees of the commissioner whose work assignments reasonably require access, the data subject's personal physicians, and local health officers as defined by section 145.01. Data on individuals who have been diagnosed as having acquired immune deficiency syndrome, who are suspected of having this syndrome, or who have been identified as a potential source of infection shall not be released to law enforcement officers, employers, landlords, insurers, or any other person or organization except those persons specifically identified in this section and section 13.38. To the extent necessary to conduct epidemiologic investigations, the commissioner may release data to the subject of the data.

Sec. 2. [144.671] [CANCER SURVEILLANCE SYSTEM; PURPOSE.]

The commissioner of health shall establish a statewide population-based cancer surveillance system. The purpose of this system is to:

(1) monitor incidence trends of cancer to detect potential public health problems, predict risks, and assist in investigating cancer clusters;

(2) more accurately target intervention resources for communities and patients and their families;

(3) inform health professionals and citizens about risks, early detection, and treatment; and

(4) promote high quality research to provide better information for cancer control and to address public concerns and questions about cancer.

Sec. 3. [144.672] [DUTIES OF COMMISSIONER; RULES.]

Subdivision 1. [RULE AUTHORITY.] The commissioner of health shall collect cancer incidence information, analyze this information, and conduct special studies designed to determine the potential public health significance of an increase in cancer incidence.

The commissioner shall adopt rules to administer the system, collect information, and distribute data. The rules must include, but not be limited to, the following:

(1) the type of data to be reported;

(2) standards for reporting specific types of data;

(3) rates of payment allowed to hospitals, pathologists, and registry systems to defray their costs in providing information to the system; and

(4) criteria related to providing access to the data and fee schedules for charges to researchers and other citizens who request data.

Subd. 2. [BIANNUAL REPORT REQUIRED.] The commissioner of health shall prepare and transmit to the governor and to members of the legislature a biannual report on the incidence of cancer in Minnesota and a compilation of summaries and reports from special studies and investigations performed to

determine the potential public health significance of an increase in cancer incidence, together with any findings and recommendations. The first report shall be delivered by February 1987 with subsequent reports due in February of each of the following odd-numbered years.

Sec. 4. Minnesota Statutes 1984, section 144.68, is amended to read:

144.68 [RECORDS AND REPORTS *REQUIRED.*]

Subdivision 1. [PERSON PRACTICING HEALING ARTS.] Every person licensed to practice the healing arts in any form, upon request of the (STATE) commissioner of health, shall prepare and forward to the commissioner, in the manner and at such times as he designates, a detailed record of each case of malignant disease treated or seen by him professionally.

Subd. 2. [HOSPITALS AND SIMILAR INSTITUTIONS.] Every hospital, (SANATORIUM,) nursing home, or other institution for the hospitalization, *diagnosis*, or care of human beings, upon request of the (STATE) commissioner of health, shall prepare and forward to the commissioner, in the manner and at the times that he designates, a detailed record of each case of malignant disease (HAVING BEEN THEREIN).

Subd. 3. [(INFORMATION) *REPORTING WITHOUT LIABILITY.*] The furnishing of the information required under subdivisions 1 and 2 shall not subject the person, hospital, (SANATORIUM,) nursing home, or other place furnishing the information, to any action for damages or other relief.

Sec. 5. Minnesota Statutes 1984, section 144.69, is amended to read:

144.69 [(INFORMATION NOT AVAILABLE TO THE PUBLIC) *CLASSIFICATION OF DATA ON INDIVIDUALS.*]

(NO SUCH REPORT, OR PART THEREOF, NOR ANY COPY OF THE SAME OR PART THEREOF, SHALL BE OPEN TO THE PUBLIC, NOR SHALL ANY OF THE CONTENTS THEREOF BE DISCLOSED, IN ANY MANNER, BY ANY OFFICIAL OR CLERK OR OTHER EMPLOYEE OR PERSON HAVING ACCESS THERETO, BUT ALL SUCH INFORMATION) *Data collected by the cancer surveillance system* shall be confidential and may only be used for the purposes set forth in sections (144.66 TO) 2 and 3 and 144.68 and 144.69. And any (SUCH) disclosure other than is provided for in sections (144.66 TO) 2 and 3 and 144.68 and 144.69, is (HEREBY) declared to be a misdemeanor and punishable as such. (NO) *As part of an epidemiologic investigation an officer or employee of the (BOARD SHALL) commissioner of health may interview*

(ANY PATIENT) *patients* named in any such report, (NOR A RELATIVE) *or relatives* of any such patient, (UNLESS) *only after* the consent of the attending physician (AND) *or surgeon* is (FIRST) obtained. *To the extent necessary to conduct epidemiologic studies, the commissioner may release data to the subject of the data.*

Sec. 6. Minnesota Statutes 1985 Supplement, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the

cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as are vested by law in the department.

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, regulations, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed two years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner :

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$400,000. When the balance in the account exceeds \$400,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) *Screen individuals for eligibility for social security disability benefits and assist them in applying to the social security administration for disability benefits. The goal of screening under this paragraph is to maximize the amount of money coming into the state. Screening shall begin with nursing home residents under the age of 65, long-term recipients of workers' compensation, mentally retarded people with parents aged 62 or over, recipients of general assistance who have mental or physical disabilities, and other target populations likely to contain significant numbers of people eligible for social security.*

Sec. 7. Minnesota Statutes 1984, section 256B.042, subdivision 2, is amended to read:

Subd. 2. The state agency may perfect and enforce its lien by following the procedures set forth in sections 514.69, 514.70 and 514.71, (EXCEPT THAT IT SHALL HAVE ONE YEAR FROM THE DATE WHEN THE LAST ITEM OF MEDICAL CARE WAS FURNISHED IN WHICH TO FILE) *and its verified lien statement (, AND THE STATEMENT) shall be filed with the appropriate clerk of court in the county of financial responsibility. The verified lien statement shall contain the following: the name and address of the person to whom medical care was furnished, the date of injury, the name and address of the vendor or vendors furnishing medical care, the dates of the service, the amount claimed to be due for the care, and, to the best of the state agency's knowledge, the names and addresses of all persons, firms or corporations claimed to be liable for damages arising from the injuries. This section shall not affect the priority of any attorney's lien. The state agency shall not be subject to any limitations period referred to in section 514.69 or 514.71 and shall have one year from the date notice is received pursuant to subdivision 4 of this section to file its verified lien statement and may commence its action within six years of filing the lien.*

Sec. 8. Minnesota Statutes 1984, section 256B.042, subdivision 3, is amended to read:

Subd. 3. To recover under this section the attorney general, or the appropriate county attorney acting at the direction of the attorney general, shall represent the state agency *and may initiate and prosecute any action against a person, firm, or corporation who may be liable to the person to whom the care was furnished.*

Sec. 9. Minnesota Statutes 1984, section 256B.042, is amended by adding a subdivision to read:

Subd. 4. *The state agency shall be given notice of monetary claims against a person, firm, or corporation who may be liable to pay part or all of the cost of medical care when the state agency has paid for or become liable for the cost of that care. Notice shall be given as follows:*

(a) Applicants for medical assistance shall notify the agency of any possible claims upon submitting the application. Recipients of medical assistance shall notify the agency of any possible claims when those claims arise.

(b) A person providing medical care services to a person receiving medical assistance shall notify the agency whenever the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(c) An attorney representing an applicant or recipient of medical assistance on a claim to which the state agency has a lien under this section shall notify the agency of the claim of which the attorney has knowledge prior to filing the claim, commencing an action, or negotiating a settlement offer.

Notice given to the local agency is not sufficient to meet the requirements of paragraph (b) or (c).

Sec. 10. Minnesota Statutes 1984, section 256B.042, is amended by adding a subdivision to read:

Subd. 5. Upon any judgment, award, or settlement of cause of action upon which the state agency has filed its lien, the lien shall be satisfied in full, subject only to a pro rata share of attorney's fees and costs incurred in the pursuit of the cause of action. However, any recipient who initiates an action to recover damages or compensation shall receive a net amount of no less than one-third of the total amount recovered.

Sec. 11. [REPEALER.]

Minnesota Statutes 1984, sections 144.66 and 144.67, are repealed.

Sec. 12. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of health to implement the provisions of sections 2 to 5, to establish a statewide cancer surveillance system, to develop and maintain a computerized record linkage system, to manage and analyze the data, and to conduct follow-up investigations on clusters of disease and unusual case distributions identified by the system, to be available until June 30, 1987.

Sec. 13. [EFFECTIVE DATE.]

Sections 2 to 5, 11, and 12 are effective the day following enactment."

Delete the title and insert:

"A bill for an act relating to health and human services; providing for confidentiality in investigations; establishing a state-wide cancer surveillance system; providing for rule authority to administer the system and collect and distribute data; directing screening of individuals eligible for social security disability; strengthening the state's power to recover medical assistance payments from third parties; requiring an obligor to name minor children as beneficiaries under medical and dental insurance available through the obligor's employer; requiring spousal coverage when available at no cost; providing that order for medical support is binding on employer; requiring insurance company to notify obligee when coverage is terminated; requiring obligor who fails to maintain medical insurance to pay for medical care; transferring licensure responsibilities for certain services to the commissioner of health; appropriating money; amending Minnesota Statutes 1984, sections 144.68; 144.69; 256B.042, subdivisions 2, 3, and by adding subdivisions; Minnesota Statutes 1985 Supplement, section 256.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1984, sections 144.66 and 144.67."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1757, A bill for an act relating to courts; altering the responsibility for the procedure to be followed when filing a change of name with the county recorder; eliminating the limits on the amount of bond to be posted by the clerk of court; prohibiting employees of the clerk's office from practicing law in the court in which they are employed; amending Minnesota Statutes 1984, section 259.11; and Minnesota Statutes 1985 Supplement, section 485.01.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1766, A bill for an act relating to education; making a technical correction to the capital expenditure aid provision; amending Minnesota Statutes 1985 Supplement, section 124.245, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 10.3 percent to determine the district's aid entitlement per FTE for the 1984-1985 school year, by 8.9 percent to determine the district's aid entitlement per FTE for the 1985-1986 school year, and by (6.7) 6.0 percent to determine the district's aid entitlement per FTE for the 1986-1987 school year.

Sec. 2. Minnesota Statutes 1985 Supplement, section 124.245, subdivision 1, is amended to read:

Subdivision 1. [BASIC COMPUTATION.] (a) Each year the state shall pay a school district the difference by which an amount equal to \$90 per pupil unit in that school year or, in districts where the number of actual pupil units has increased from the prior year, \$95 per pupil unit in that school year, exceeds the amount raised by seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must (HAVE LEVIED SEVEN EARC MILLS FOR USE FOR CAPITAL EXPENDITURES IN THAT YEAR) *levy* pursuant to section 275.125, subdivision 11a *for use in that year*.

(b) The aid under clause (a) for any district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program shall be computed using a dollar amount per pupil unit which is \$5 higher than the amount specified in clause (a).

(c) If the sum of a district's capital expenditure levy under section 275.125, subdivision 11a, attributable to any school year and its capital expenditure equalization aid, if any, under this subdivision for that school year exceeds \$90 per pupil unit or, in districts where the number of actual pupil units has increased from the prior year, \$95 per pupil unit, the amount of the excess may be expended only for the purpose of capital expenditures for equipment for secondary vocational education programs or senior secondary industrial arts programs.

Sec. 3. Minnesota Statutes 1984, section 124.32, subdivision 1c, is amended to read:

Subd. 1c. [FOUNDATION AID FORMULA ALLOWANCE.] For purposes of this section, "foundation aid formula allowance" shall have the meaning attributed to it in section 124A.02, subdivision 9, and "summer school revenue allowance" shall have the meaning attributed to it in section 124.201. For the purposes of computing foundation aid formula allowances pursuant to this section, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1 (, CLAUSE (1) OR (2)).

Sec. 4. Minnesota Statutes 1985 Supplement, section 124A.02, subdivision 9, is amended to read:

Subd. 9. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. (THE FORMULA ALLOWANCE SHALL BE \$1,475 FOR THE 1983 PAYABLE 1984 LEVIES AND FOR FOUNDATION AID FOR THE 1984-1985 SCHOOL YEAR.) The formula allowance shall be \$1,585 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year. The formula allowance shall be \$1,690 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year. *The formula allowance is \$1,690 for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year.*

Sec. 5. Minnesota Statutes 1984, section 124A.02, subdivision 15, is amended to read:

Subd. 15. [PUPIL UNITS, ACTUAL.] "Actual pupil units" means pupil units identified in section 124.17, subdivision 1 (, CLAUSES (1) AND (2)).

Sec. 6. Minnesota Statutes 1985 Supplement, section 124A.03, subdivision 1a, is amended to read:

Subd. 1a. [ESTABLISHMENT OF BASIC MAINTENANCE MILL RATE.] (a) The commissioner of revenue shall establish the basic maintenance mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The established basic maintenance mill rate shall be a rate, rounded up to the nearest tenth of a mill, which when applied to the adjusted assessed valuation of taxable property for each school district under subdivision 1 or 3, as applicable, raises the total amount specified in this section.

(b) The basic maintenance mill rate for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year shall be established at a rate that raises a total of \$702,000,000.

The basic maintenance mill rate for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year shall be set at a rate that raises \$702,000,000. The basic maintenance mill rate computed by the commissioner of revenue must not be recomputed due to changes or corrections made in a school district's adjusted assessed valuation after the mill rate has been certified to the department of education pursuant to paragraph (a).

Sec. 7. Minnesota Statutes 1985 Supplement, section 129C.10, subdivision 5, is amended to read:

Subd. 5. [RESOURCE CENTER.] (BEGINNING IN THE 1985-1986 SCHOOL YEAR, THE RESOURCE CENTER SHALL OFFER PROGRAMS THAT ARE DIRECTED AT IMPROVING ARTS EDUCATION IN ELEMENTARY AND SECONDARY SCHOOLS THROUGHOUT THE STATE. THE PROGRAMS OFFERED SHALL INCLUDE AT LEAST SUMMER INSTITUTES OFFERED TO PUPILS IN VARIOUS REGIONS OF THE STATE, INSERVICE WORKSHOPS FOR TEACHERS, AND LEADERSHIP DEVELOPMENT PROGRAMS FOR TEACHERS.) The board shall establish a resource center advisory council composed of elementary and secondary arts educators, representatives from post-secondary educational institutions, department of education, state arts board, regional arts councils, educational cooperative service units, school district administrators, parents, and other organizations involved in arts education. The advisory council shall include representatives from a variety of arts disciplines and from various areas of the state. The advisory council shall advise the board about the activities of the center. Programs offered through the resource center shall promote and develop arts education programs offered by school districts and arts organizations and shall assist school districts and arts organizations in developing innovative programs. The board may contract with nonprofit arts organizations to provide programs through the resource center. The advisory council shall advise the board on contracts and programs related to the operation of the resource center.

Sec. 8. Minnesota Statutes 1985 Supplement, section 298.28, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION.] The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certification of the commissioner of revenue, be allocated as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," to the city or town in the county in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more

than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) (a) 12.5 cents per taxable ton, less any amount distributed under clause (7), paragraph (a), and paragraph (b) of this clause, to be distributed as provided in section 298.282.

(b) An amount annually certified by the county auditor of a county containing a taconite tax relief area within which there is an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore. The amount will be the portion of a township's certified levy equal to the proportion of (1) the difference between 50 percent of the township's January 2, 1982, assessed value and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1). The county auditor shall extend the township's levy against the sum of the township's current assessed value plus the difference between 50 percent of its January 2, 1982, assessed value and its current assessed value. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, this clause shall not apply.

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, as follows:

(a) Six cents per taxable ton 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 clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein 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 tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08,

subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2.

(c) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) 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 clause (3)(b) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988 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, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, (CLAUSES (1) AND (2),) enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1-3/4 mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of 1-3/4 mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 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 clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124A.02 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 clause (9).

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed, based upon certification by the commissioner of revenue, as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The apportionment formula prescribed in clause (1) is the basis for the distribution.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be paid to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 17.75 cents per taxable ton, less any amount required to be distributed under part (b), to St. Louis county acting as the counties' fiscal agent, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be paid to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) 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 clause 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 1988 and subsequent years according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause 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 clause 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.

(7) (a) .20 cent per taxable ton shall be paid to the range association of municipalities and schools, for the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

(b) 1.5 cents per taxable ton shall be paid to the northeast Minnesota economic protection trust fund.

(8) the amounts determined under clauses (4)(a), (4)(c), (5), and (7)(b) 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. Those amounts shall be increased in 1988 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(9) the proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in clauses (1) to (8), as certified by the commissioner of revenue, and parts (a) and (b) of this clause have been made, together with interest earned on all money distributed under this subdivision prior to distribution, 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 as follows: Two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(a) There shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake county and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized terri-

tory number 2 of Lake county and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(b) There shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. The commissioner of revenue shall annually on or before October 10 report an estimated distribution amount to each taxing district and the officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county or city in the year in which such estimate is made, and payable in the next ensuing calendar year, except that one cent per taxable ton of the amount distributed under clause (4) (c) shall not be deducted in calculating the permissible levy. In any calendar year in which a general property tax levy subject to sections 275.50 to 275.59 has been made, if the taxes distributable to any such county or city are greater than the amount estimated by the commissioner to be paid to any such county or city in such year, the excess of such distribution shall be held in a special fund by the county or city and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.50 to 275.59, of such county or city payable in such year. If the amounts distributable to any such county or city after final determination by the commissioner of revenue under this section are less than the amounts by which a taxing district's levies were reduced pursuant to this section, such county or city may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

Sec. 9. Minnesota Statutes 1984, section 364.09, is amended to read:

364.09 [LAW ENFORCEMENT; EXCEPTION.]

This chapter shall not apply to the practice of law enforcement (OR), to eligibility for a family day care license or a family

foster care license, or to eligibility for school bus driver endorsements. Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board from recommending policies set forth in this chapter to the attorney general for adoption in his discretion to apply to law enforcement.

Sec. 10. Laws 1985, First Special Session chapter 12, article 1, section 36, subdivision 3, is amended to read:

Subd. 3. [SUMMER PROGRAMS.] For summer program aid pursuant to Minnesota Statutes, section 124A.033, subdivision 3, (AND FOR SUMMER INSTRUCTIONAL PROGRAM AID PURSUANT TO SECTION 124A.033, SUBDIVISION 3A,) there is appropriated:

\$7,878,600 1986,

(\$7,400,000) \$612,000 1987.

The appropriation for fiscal year 1986 is for aid for programs in summer 1985. The appropriation for fiscal year 1987 is for aid only for programs in summer 1986 which are provided to pupils who are handicapped and who are appropriately served at level 4, 5, or 6 of the continuum of placement model described in state board rules. Summer educational improvement aid shall not be paid after fiscal year 1986.

Sec. 11. Laws 1985, First Special Session chapter 12, article 2, section 15, subdivision 2, is amended to read:

Subd. 2. [TRANSPORTATION AID.] For transportation aid there is appropriated:

\$88,993,600 1986,

(\$84,587,100) \$82,638,000 1987.

(a) The appropriation for 1986 includes \$12,284,400 for aid for fiscal year 1985 payable in fiscal year 1986 and \$76,709,200 for fiscal year 1986 payable in fiscal year 1986.

(b) The appropriation for 1987 includes \$13,536,900 for aid for fiscal year 1986 payable in fiscal year 1987 and (\$71,050,200) \$69,101,100 for fiscal year 1987 payable in fiscal year 1987.

(c) The appropriations are based on aid entitlements of \$90,246,100 for fiscal year 1986 and (\$83,588,400) \$81,295,400 for fiscal year 1987.

Sec. 12. Laws 1985, First Special Session chapter 12, article 3, section 28, subdivision 10, is amended to read:

Subd. 10. [OFFICE ON TRANSITION SERVICES.] For the interagency office on transition services there is appropriated:

\$75,000 1986,

(\$85,000) \$81,000 1987.

Sec. 13. Laws 1985, First Special Session chapter 12, article 4, section 11, subdivision 6, is amended to read:

Subd. 6. [DEPARTMENT ASSISTANCE FOR EARLY CHILDHOOD FAMILY EDUCATION.] For the department to provide assistance to districts in planning, implementing, and evaluating early childhood family education programs there is appropriated:

\$35,000 1986,

(\$35,000) \$33,250 1987.

The department shall use the appropriation for personnel service contracts and expenses of conferences and workshops.

Sec. 14. Laws 1985, First Special Session chapter 12, article 5, section 8, is amended to read:

Sec. 8. [REPORT; 1987 LEGISLATURE.]

By February 1 of 1986 (AND 1987), the board of the school of the arts and resource center shall report to the education committees of the legislature on the activities of the board, activities of the resource center, and the planning for the school of the arts. The 1987 (REPORT SHALL INCLUDE RECOMMENDATIONS ABOUT CONTINUATION OF THE) *legislature shall examine the feasibility of funding the state school of the arts and resource center.*

Sec. 15. Laws 1985, First Special Session chapter 12, article 5, section 10, subdivision 2, is amended to read:

Subd. 2. [COMPREHENSIVE ARTS PLANNING PROGRAMS.] For comprehensive arts planning programs there is appropriated:

\$100,000 1986,

(\$100,000) \$96,875 1987.

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

Sec. 16. Laws 1985, First Special Session chapter 12, article 5, section 10, subdivision 4, is amended to read:

Subd. 4. [SCHOOL OF THE ARTS AND RESOURCE CENTER.] For the purpose of making a grant to the Minnesota school of the arts and resource center there is appropriated:

\$491,000 1986(,)

(\$2,170,000 1987).

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

For fiscal (YEARS) *year* 1986 (AND 1987) a complement of 13 is authorized for the school of the arts and resource center. Of this complement, eight are in the categories of director, coordinator, and department chairs.

Sec. 17. Laws 1985, First Special Session chapter 12, article 6, section 28, subdivision 11, is amended to read:

Subd. 11. [GIFTED STUDY.] For the gifted education program study there is appropriated:

(\$35,000) \$34,125 1986.

The appropriation is available until June 30, 1987. A portion of the appropriation may be used for administrative expenses.

Sec. 18. Laws 1985, First Special Session chapter 12, article 6, section 28, subdivision 17, is amended to read:

Subd. 17. [COUNCIL ON QUALITY EDUCATION; VENTURE FUND GRANTS.] For the council on quality education venture fund grants pursuant to Minnesota Statutes, sections 129B.01 to 129B.05, there is appropriated:

\$717,700 1986,

(\$450,000) \$250,000 1987.

The appropriation for fiscal year 1986 includes \$122,400 for grants for fiscal year 1985 payable in fiscal year 1986 and \$595,300 for grants for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$105,100 for grants for fiscal year 1986 payable in fiscal year 1987 and (\$344,900) \$144,900 for grants for fiscal year 1987 payable in fiscal year 1987.

Any unexpended balance remaining from the appropriations in this subdivision for 1986 shall not cancel and shall be available for the second year of the biennium.

The appropriations are based on entitlements of \$700,400 for fiscal year 1986 and (\$405,800) \$205,800 for fiscal year 1987.

The council may maintain a complement of up to three professionals and one clerical staff for fiscal year 1986 (AND TWO PROFESSIONALS AND ONE CLERICAL STAFF FOR FISCAL YEAR 1987).

Sec. 19. Laws 1985, First Special Session chapter 12, article 6, section 28, subdivision 20, is amended to read:

Subd. 20. [SECONDARY VOCATIONAL STUDENT ORGANIZATIONS.]

For aid for secondary vocational student organizations there is appropriated:

\$60,000 1986,

(\$60,000) \$57,000 1987.

The appropriations for fiscal years 1986 and 1987 are available for expenditure if the commissioner of education authorizes an additional \$160,000 for each of fiscal years 1986 and 1987 from the department's biennial appropriations for this purpose.

Sec. 20. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 2, is amended to read:

Subd. 2. [EDUCATIONAL EFFECTIVENESS.] For educational effectiveness programs according to sections 121.608 and 121.609 there is appropriated:

\$1,034,000 1986,

(\$781,000) \$735,625 1987.

The commissioner shall assign one additional position, from the department's existing complement, to educational effectiveness programs. The legislature intends that, beginning in fiscal year 1987, districts will pay the costs of educational effectiveness in-service for district staff.

Sec. 21. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 3, is amended to read:

Subd. 3. [ACADEMIC EXCELLENCE FOUNDATION.] For support of the academic excellence foundation according to Minnesota Statutes, section 121.612, there is appropriated:

\$89,000 1986,

(\$84,000) \$79,675 1987.

\$5,000 of the fiscal year 1986 appropriation shall be used for expenses related to the operation of the task force established in section 60, subdivision 1.

Sec. 22. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 4, is amended to read:

Subd. 4. [MANAGEMENT ASSISTANCE.] For management assistance to school districts according to section 4 there is appropriated:

\$50,000 1986,

(\$50,000) \$47,500 1987.

Sec. 23. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 6, is amended to read:

Subd. 6. [ASSESSMENT ITEM BANK.] For development and implementation of the assessment item bank according to Minnesota Statutes, section 123.742, subdivision 5, there is appropriated:

\$300,000 1986,

(\$300,000) \$285,000 1987.

Sec. 24. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 8, is amended to read:

Subd. 8. [PER ASSISTANCE.] For state assistance for planning, evaluation, and reporting, there is appropriated:

\$120,000 1986,

(\$120,000) \$114,000 1987.

\$50,000 each year shall be used for assisting districts with the assurance of mastery program. Up to \$50,000 each year shall be used to develop and maintain model learner expectations. Up to \$20,000 each year shall be used for the state curriculum advisory committee; a portion of this money may be for administration.

Sec. 25. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 9, is amended to read:

Subd. 9. [TECHNOLOGY SERVICES.] For the purposes of Minnesota Statutes, sections 129B.35, 129B.37, 129B.39, and 129B.40, there is appropriated:

\$649,000 1986,
 (\$649,000) \$616,550 1987.

Sec. 26. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 13, is amended to read:

Subd. 13. [MASTERY LEARNING PROGRAM.] For the purposes of section 42, subdivisions 3 and 10 and section 59, there is appropriated:

\$160,000 1986,
 (\$1,290,000) \$1,285,000 1987.

\$125,000 of the appropriation for fiscal year 1986 shall be used for a computerized mastery management system and support materials. The remaining \$35,000 in fiscal year 1986 shall be used for planning aid to districts under section 42, subdivision 3.

\$1,250,000 of the appropriation in fiscal year 1987 shall be used for mastery learning project grants. The remaining (\$40,000) \$35,000 for fiscal year 1987 may be used by the department to administer and evaluate the program.

Sec. 27. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 14, is amended to read:

Subd. 14. [SCHOOL MANAGEMENT ASSESSMENT CENTER.] For support of the school management assessment center at the University of Minnesota, there is appropriated:

\$25,900 1986,
 (\$26,900) \$25,580 1987.

Sec. 28. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 15, is amended to read:

Subd. 15. [PROGRAMS OF EXCELLENCE.] For programs of excellence according to Minnesota Statutes, sections 126.60 to 126.64, there is appropriated:

\$25,000 1986,
 (\$25,000) \$24,625 1987.

Of this amount, the following sums may be used for the purposes indicated in each year: (\$7,500) \$7,125 for program administration including expenses of the programs of excellence committee, according to Minnesota Statutes, section 126.60, subdivision 3 and \$17,500 for incentive grants according to Minnesota Statutes, section 126.60, subdivision 4.

Sec. 29. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 17, is amended to read:

Subd. 17. [INDUSTRIAL TECHNOLOGY PROGRAM.] For development of curriculum for the industrial technology program according to section 56 there is appropriated:

(\$30,000) \$29,250 1986.

The sum is available until June 30, 1987.

Sec. 30. Laws 1985, First Special Session chapter 12, article 8, section 63, subdivision 2, is amended to read:

Subd. 2. [TEACHER EXAMINATIONS.] For duties related to teacher examinations there is appropriated:

\$105,000 1986,

(\$75,000) \$70,500 1987.

\$30,000 of the fiscal year 1986 appropriation is to evaluate teaching skills of beginning teachers and \$75,000 (EACH YEAR) *in fiscal year 1986 and \$70,500 in fiscal year 1987* is for development of teacher examinations.

Sec. 31. Laws 1985, First Special Session chapter 12, article 8, section 63, subdivision 3, is amended to read:

Subd. 3. [EXEMPLARY TEACHER EDUCATION PROGRAMS.] For development of exemplary teacher education programs there is appropriated:

\$150,000 1986,

(\$150,000) \$142,500 1987.

Up to \$30,000 of this sum may be used for evaluation. The sum is available until June 30, 1987.

Sec. 32. Laws 1985, First Special Session chapter 12, article 8, section 64, subdivision 2, is amended to read:

Subd. 2. [SUMMER PROGRAM SCHOLARSHIPS.] For scholarship awards for 1986 and 1987 summer programs according to section 22, there is appropriated:

(\$500,000) \$487,500 1986.

Of this appropriation, the amount required may be used for the higher education coordinating board's costs of administering the program.

Sec. 33. Laws 1985, First Special Session chapter 12, article 9, section 3, subdivision 2, is amended to read:

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants pursuant to sections 134.32 to 134.35 for the provision of library service there is appropriated:

\$4,923,600 1986,

(\$5,047,300) \$4,798,027 1987.

The appropriation for 1986 includes \$695,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$4,228,600 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$746,200 for aid for fiscal year 1986 payable in fiscal year 1987 and (\$4,301,100) \$4,051,827 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$4,974,800 for fiscal year 1986 and (\$5,060,100) \$4,810,827 for fiscal year 1987.

Sec. 34. Laws 1985, First Special Session chapter 12, article 9, section 3, subdivision 3, is amended to read:

Subd. 3. [MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEMS.] For grants pursuant to sections 134.353 and 134.354 to multi-county, multi-type library systems there is appropriated:

\$205,100 1986,

(\$213,000) \$202,548 1987.

The appropriation for 1986 includes \$30,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$175,100 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$30,900 for fiscal year 1986 payable in fiscal year 1987, and \$182,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$206,000 for fiscal year 1986, and (\$214,200) \$203,748 for fiscal year 1987.

Sec. 35. [LEVY FORMULA AND PERMITTED USE FOR 1986 SUMMER PROGRAMS.]

Subdivision 1. [PERMITTED USE.] Any district which certified a 1985 levy payable in 1986 pursuant to Minnesota Statutes 1984, section 124A.03, subdivision 4, may use that levy revenue only for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, and (3) summer school classes in elementary and secondary schools, which are provided for pupils who are handicapped and who are appropriately served at level 4, 5, or 6 of the continuum of placement model described in state board rules.

Subd. 2. [FORMULA.] The amount of 1986 summer program levy revenue that a district may use for the purposes specified in subdivision 1 is equal to the following product:

(a) the number of summer school pupil units as defined in Minnesota Statutes 1984, section 124.201, subdivision 2, clause 1; times

(b) the foundation aid formula allowance for the 1985-1986 school year pursuant to Minnesota Statutes 1985 Supplement, section 124A.02, subdivision 9; times

(c) the lesser of

(1) one, or

(2) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in 1983 by the total pupil units in the district in the 1985-1986 school year, to

(ii) the equalizing factor for the 1985-1986 school year.

Sec. 36. [AID FORMULA AND PERMITTED USE FOR 1986 SUMMER PROGRAMS.]

Subdivision 1. [PERMITTED USE.] Any district receiving aid for 1986 summer programs may use that aid only for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, and (3) summer school classes in elementary and secondary schools,

which are provided for pupils who are handicapped and who are appropriately served at level 4, 5, or 6 of the continuum of placement model described in state board rules.

Subd. 2. [FORMULA.] In fiscal year 1987, any district which provides summer programs specified in subdivision 1 shall receive summer program aid equal to the difference between:

(1) the product of

(a) the number of summer school pupil units as defined in Minnesota Statutes 1984, section 124.201, subdivision 2, clause 1; times

(b) the foundation aid formula allowance for the 1985-1986 school year pursuant to Minnesota Statutes 1985 Supplement, section 124A.02, subdivision 9; and

(2) the amount of 1986 summer program levy revenue that the district uses pursuant to section 35.

Sec. 37. [LEVY ADJUSTMENT.]

The commissioner of education shall adjust the 1985 payable 1986 levy limitations for school districts as a result of provisions of section 35. The adjustment shall be a negative amount equal to the difference between the amount the district levied in 1985 and the amount of the summer program levy revenue the district used pursuant to section 35. The adjustment shall be subtracted from the district's levy limitation for 1986 taxes payable in 1987.

Sec. 38. [CONTINGENCY EXPENDITURES.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "excess moneys for contingency expenditure" means the amount by which the sum of (1) the unexpended portion of the budget and cash flow reserve account, and (2) the probable undesignated balance in the general fund at the end of the biennium ending June 30, 1987, exceeds the net positive amount of \$100,000,000.

Subd. 2. [PRIORITY FOR ADDITIONAL REVENUES.] Notwithstanding Minnesota Statutes 1985 Supplement, sections 16A.15, subdivision 6, and 16A.1541, if the commissioner of finance determines before June 30, 1987, that there are excess moneys for contingency expenditure, the commissioner shall allocate the excess moneys for contingency expenditure to the following purposes in the following order of priority:

(1) If the determination that excess moneys for contingency expenditure are available is made prior to May 30, 1986, and the amount of excess moneys for contingency expenditure exceeds

\$6,788,000, allocate \$6,788,000 to pay aid to school districts in fiscal year 1987 for 1986 summer programs for nonhandicapped pupils pursuant to Minnesota Statutes 1985 Supplement, section 124A.033. This amount is to replace aid rescinded pursuant to section 10.

(2) If the determination that excess moneys for contingency expenditure are available is made prior to September 30, 1986, allocate up to \$1,174,000 for fiscal year 1987 for the Minnesota resource center for the arts established under Minnesota Statutes 1985 Supplement, section 129C.10. This amount is to replace, in part, appropriations rescinded pursuant to section 16.

(3) If the determination that excess moneys for contingency expenditure are available is made prior to September 30, 1986, allocate up to \$200,000 for fiscal year 1987 for council on quality education venture fund grants pursuant to Minnesota Statutes, sections 129B.01 to 129B.04. This amount is to replace grant moneys rescinded pursuant to section 18.

(4) Allocate up to \$410,070 for fiscal year 1987 in the following maximum amounts and for the following purposes:

(a) To the department of education for:

<i>Interagency Office on Transition Services</i>	<i>\$ 4,000;</i>
<i>Early Childhood Family Education Assistance</i>	<i>\$ 1,750;</i>
<i>Comprehensive Arts Planning Programs</i>	<i>\$ 3,125;</i>
<i>Gifted Education Study</i>	<i>\$ 875;</i>
<i>Aid for Secondary Vocational Student Organizations</i>	<i>\$ 3,000;</i>
<i>Academic Excellence Foundation</i>	<i>\$ 4,325;</i>
<i>Educational Effectiveness Programs</i>	<i>\$ 45,375;</i>
<i>Management Assistance to School Districts</i>	<i>\$ 2,500;</i>
<i>Assessment Item Bank</i>	<i>\$ 15,000;</i>
<i>Planning, Evaluation, and Reporting Assistance</i>	<i>\$ 6,000;</i>
<i>Technology Services</i>	<i>\$ 32,450;</i>
<i>Mastery Learning</i>	<i>\$ 5,000;</i>
<i>School Management Assessment Center</i>	<i>\$ 1,320;</i>

<i>Programs of Excellence</i>	\$	375;
<i>Industrial Technology Program</i>	\$	750;
<i>Library Basic System Support Grants</i>	\$249,273;	
<i>Library Multi-County, Multi-Type Grants</i>	\$	10,452;

(b) *To the board of teaching for:*

<i>Teacher Examinations</i>	\$	4,500;
<i>Exemplary Teacher Education Programs</i>	\$	7,500; and

(c) *To the higher education coordinating board for:*

<i>Summer Program Scholarships</i>	\$	12,500.
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If less than \$410,070 of excess moneys for contingency expenditure are available for the programs named in this clause, the amount available shall be prorated among the programs named in proportion to the maximum amount to be allocated to each program. These amounts are to replace appropriations rescinded pursuant to sections 12, 13, 15, 17, and 19 to 32.

(5) *Any additional excess moneys for contingency expenditure that are available shall be allocated in accordance with Minnesota Statutes, section 16A.1541.*

Subd. 3. [DETERMINATION BY MAY 30, 1986.] By May 30, 1986, the commissioner of finance shall determine whether sufficient excess moneys are available to allocate for aid to school districts for 1986 summer programs in accordance with subdivision 2, clause (1).

Sec. 39. [CONTINGENT ACTION; SUMMER SCHOOL LEVY ADJUSTMENT.]

If excess moneys for contingency expenditure are allocated for aid to school districts for 1986 summer programs under section 38, subdivision 2, clause (1), the provisions of sections 35 and 36 limiting the payment of 1986 summer program aid and the use of 1986 summer program levy revenue to handicapped pupils shall not take effect, and the levy adjustment required by section 37 shall not be made.

Sec. 40. [SPECIAL LEVY; MAHTOMEDI.]

In addition to other levies authorized by law, independent school district No. 832, Mahtomedi, may levy in 1986 an amount up to \$250,000 for capital expenditures. The proceeds of the levy may be used only to renovate Wildwood school.

By July 30, 1986, the school board shall hold a public hearing on the need for the proposed levy. Upon receipt, within 30 days after the hearing, of a petition objecting to the levy signed by a number of qualified voters in the district equal to the greater of 50 voters or 15 percent of the number of voters who voted in the most recent school board election, the board shall hold a referendum on the proposed levy. The referendum shall be held on the date set by the board but no later than October 1, 1986. If a valid petition is not received by the school board, within 30 days after the hearing, no referendum need be held.

Sec. 41. [EXCESS CAPITAL OUTLAY LEVY; MOOSE LAKE.]

Subdivision 1. [1986.] Independent school district No. 97, Moose Lake, may levy \$75,000 in 1986 for capital outlay purposes in addition to all other levies for capital outlay and other purposes.

Subd. 2. [1987.] Independent school district No. 97, Moose Lake, may levy \$70,000 in 1987 for capital outlay purposes in addition to all other levies for capital outlay and other purposes.

Subd. 3. [REFERENDUM.] The authorization for the levy in subdivision 1 or 2 may be revoked or reduced as provided in this subdivision. A referendum on the question of revoking or reducing the authorized amount shall be called on the written petition of a number of qualified voters in excess of 15 percent of the average number of voters of the two most recent district-wide school elections. A petition to revoke or reduce the levy authorized by subdivision 1 must be received by September 1, 1986, and the referendum must be held by October 10, 1986. A petition to revoke or reduce the levy authorized by subdivision 2 must be received by September 1, 1987, and the referendum must be held by October 10, 1987. The ballot must state the number of mills required to raise the authorized amount. The ballot question must read substantially as follows:

"Shall the authority to make an extra capital levy in (year) granted to independent school district No. 97 in (this act) be (revoked/reduced from \$ to \$)?"

In other respects, the referendum shall be conducted as other elections are conducted under sections 124A.03 and 123.32.

Sec. 42. [EFFECTIVE DATE.]

Sections 17, 29, 32, 35, 36, 38, and 39 are effective the day following final enactment."

Delete the title and insert:

“A bill for an act relating to education; reducing certain education aids appropriations in fiscal year 1987; setting the formula allowance and basic maintenance mill rate amounts for the 1987-1988 school year; providing for restoration of education aids if state revenues increase; making technical corrections; amending Minnesota Statutes 1984, sections 124.32, subdivision 1c; 124A.02, subdivision 15; and 364.09; Minnesota Statutes 1985 Supplement, sections 124.225, subdivision 7b; 124.245, subdivision 1; 124A.02, subdivision 9; 124A.03, subdivision 1a; 129C.10, subdivision 5; and 298.28, subdivision 1; Laws 1985, First Special Session chapter 12, article 1, section 36, subdivision 3; article 2, section 15, subdivision 2; article 3, section 28, subdivision 10; article 4, section 11, subdivision 6; article 5, section 8; and section 10, subdivisions 2 and 4; article 6, section 28, subdivisions 11, 17, and 20; article 8, section 62, subdivisions 2, 3, 4, 6, 8, 9, 13, 14, 15, and 17; section 63, subdivisions 2 and 3; and section 64, subdivision 2; and article 9, section 3, subdivisions 2 and 3.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1772, A bill for an act relating to courts; increasing fees to be collected; clarifying existing fee statutes; amending Minnesota Statutes 1984, section 176.451, subdivision 3; 487.31, subdivisions 1 and 4; 487.33; 514.70; 525.031; and 525.033; Minnesota Statutes 1985 Supplement, section 357.021, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1800, A bill for an act relating to local government; authorizing the counties of Becker, Grant, Hubbard, Otter Tail, Stevens, Todd, Traverse, Wadena, and Wilkin to enter into contracts and agreements for solid waste management.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1807, A bill for an act relating to local government; providing for the coordination of various development authorities in Moorhead and Clay county.

Reported the same back with the following amendments:

Page 8, after line 19, insert:

“Sec. 9. [POWER OUTSIDE STATE.]

The powers granted to the city by section 2 may be exercised with respect to any project located in a city located outside the state but contiguous to the city of Moorhead. In furtherance of the exercise of the powers granted to the city in section 2, and notwithstanding any other provision of law or charter, the city or the authority may enter into a joint powers agreement with another political subdivision located within or without the state or a nonprofit or for-profit organization to provide for the ownership and operation of facilities located outside the state.”

Renumber the remaining section

Page 8, line 21, after “6” insert “and 9”

Amend the title as follows:

Page 1, line 3, after “in” insert “the city of”

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1815, A bill for an act relating to taxation; real property; prescribing requirements of the sales ratio study used by the state board of equalization; amending Minnesota Statutes 1984, section 270.12, subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1824, A bill for an act relating to statutes; adopting a gender neutral revision of Minnesota Statutes; providing for no substantive change; granting certain editorial authority to the revisor of statutes; amending Minnesota Statutes 1984, section 3C.10, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 11, after "on" insert "January"

Page 1, line 12, before the first comma insert "24"

Page 1, line 12, after "on" insert "January"

Page 1, line 13, before the first comma insert "24"

Page 2, after line 33, insert:

"Sec. 5. Minnesota Statutes 1984, section 645.44, is amended by adding a subdivision to read:

Subd. 1b. [CHAIR.] "Chair" includes chairman, chairwoman, and chairperson.

Sec. 6. [AMENDMENTS.]

Volume 2 of The Gender Revision of 1986 as adopted under section 1 is amended as follows:

Page 282, line 66, strike "hunter,"

Page 282, line 67, delete "fisher" and strike ", trapper, tourist or vacationist" and insert "person"

Page 284, line 2, before "license" insert "fishing" and after the stricken "fisherman" delete "fisher" and insert "person"

Page 294, line 35, delete "fishers" and insert "licensees"

Page 296, line 13, strike "licensed" and delete "fishers" and insert "fishing licensees"

Page 296, line 17, strike "licensed" and delete "fishers" and insert "fishing licensees"

Page 300, line 53, strike "licensed" and delete "fishers" and insert "fishing licensees"

Amend the title as follows:

Page 1, line 2, after "adopting" insert "as amended"

Page 1, line 6, delete "section" and insert "sections" and after "1" insert "; and 645.44, by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1851, A bill for an act relating to civil actions; providing a cause of action for sexual exploitation; proposing coding for new law as Minnesota Statutes, chapter 148A.

Reported the same back with the following amendments:

Page 2, line 7, delete "*verbal sexual advances or*"

Page 2, line 36, after "*action*" insert "*against a psychotherapist*"

Page 3, line 1, delete "*against a psychotherapist*" and delete "*who*" and insert "*for*"

Page 3, delete line 2

Page 3, line 3, delete "*arising out of*" and insert "*caused by*"

Page 3, line 11, delete the comma

Page 3, line 12, delete "*including punitive damages,*"

Page 3, line 22, delete "*, including punitive damages,*"

Page 3, line 28, delete "*should have known*" and insert "*has reason to believe*"

Page 3, line 31, after "*upon*" insert "*specific*"

Page 3, after line 33, insert:

"No cause of action arises, nor may a licensing board in this state take disciplinary action against a psychotherapist's employer or former employer who in good faith complies with clause (3)."

With the recommendation that when so amended the bill pass.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1852, A bill for an act relating to commerce; regulating those who package soft drinks and other nonalcoholic beverages; increasing certain vending machine inspection fees; clarifying authority to inspect vending machines; clarifying rulemaking authority of commissioner of agriculture; amending Minnesota Statutes 1984, sections 28A.05; 28A.09, subdivision 1; 34.03; and 34.09; repealing Minnesota Statutes 1984, section 34.05.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1885, A bill for an act relating to retirement; employees of the Falls nursing home who are members of the public employees retirement association.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1926, A bill for an act relating to state investments; establishing various accounts within the supplemental investment fund; providing for the administration of the accounts and for the investment and valuation of shares within each account; amending Minnesota Statutes 1984, sections 11A.17, subdivisions 1, 4, 9, and by adding a subdivision; 69.77, subdivision 2; 69.775; 352.96, subdivision 4; 352D.04, subdivision 1; Minnesota Statutes 1985 Supplement, section 11A.17, subdivision 13; and Laws 1969, chapter 950, section 3, as amended.

Reported the same back with the following amendments:

Page 3, line 5, strike "FIXED RETURN ACCOUNT AND"

Page 3, line 6, following "BOND ACCOUNT.]", strike the remainder of the line

Page 3, strike lines 7 to 16

Page 3, line 17, strike "established."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1928, A bill for an act relating to education; placing the state council on vocational education director in the unclassified service; amending Minnesota Statutes 1985 Supplement, section 136C.50, subdivision 7.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1946, A bill for an act relating to veterans affairs; providing for use of departmental resources by certain organizations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 196.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1962, A bill for an act relating to costs and attorney fees; providing for recovery of costs and attorney fees by prevailing parties in civil actions and contested case proceedings involving the state; amending Minnesota Statutes 1984, section 14.62, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 3.

Reported the same back with the following amendments:

Page 6, line 4, delete "*which is pending on, or*"

Page 6, line 5, delete the comma

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1968, A bill for an act relating to environment; providing for the selection of locations for and developers of hazardous waste stabilization and containment facilities; amending Minnesota Statutes 1984, sections 115A.03, subdivision 1, and by adding subdivisions; 115A.05, subdivision 2, and by adding a subdivision; 115A.13; 115A.14, subdivision 6; 115A.22, subdivision 4; 400.11; Minnesota Statutes 1985 Supplement, sections 115A.81, subdivision 2; 275.50, subdivision 5; 477A.012; proposing coding for new law in Minnesota Statutes, chapters 115A and 400; repealing Minnesota Statutes 1984, sections 115A.17; and 400.10; Minnesota Statutes 1985 Supplement, section 473.811, subdivision 11.

Reported the same back with the following amendments:

Page 2, line 7, after "*chemical*" insert "*or thermal*" after "*materials*" insert "*or energy*"

Page 2, line 24, after "*state*" insert "*delisting*"

Page 2, line 25, delete everything after "*rules*"

Page 2, line 26, delete "*regulation*"

Page 4, line 4, delete "SUSPENSION OF"

Page 4, line 5, delete "*suspend*" and insert "*terminate*"

Page 4, line 8, delete everything after "*Subd. 2.*"

Page 4, delete lines 9 and 10 and insert "[DISMISSAL OF CANDIDATE SITES.] *On the effective date of this section, the board shall dismiss from further consideration all candidate sites remaining under section 115A.21, subdivision 1.*"

Page 4, delete lines 17 to 36

Page 5, delete lines 1 to 25, and insert:

“Subd. 4. [STABILIZATION AND CONTAINMENT FACILITY; RESTRICTIONS; CONTAINMENT STANDARDS TO PROTECT HUMAN HEALTH AND ENVIRONMENT.] No facility may be sited under the provisions of sections 115A.18 to 115A.30 except a stabilization and containment facility. The facility must be above grade unless the board determines, after environmental review under section 15, subdivision 2, that an alternative design would provide greater protection for human health and the environment. No waste may be accepted for containment at the facility except the following:

(a) waste rendered nonhazardous;

(b) industrial waste; and

(c) waste that is not eligible for acceptance under clause (a) or (b), if the agency determines that all of the following requirements are met:

(1) there is no feasible and prudent alternative to containment of the waste that would minimize adverse impact upon human health and the environment;

(2) the waste has been treated using feasible and prudent technology that minimizes the possibility of migration of any hazardous constituents of the waste; and

(3) the waste meets the standards adopted to protect human health and the environment under the authority of 42 U.S.C. section 6924(m), and any additional protective standards adopted by the agency under section 116.07, subdivision 4.

If no federal or state standards have been adopted for a waste as provided in clause (3), the waste may not be accepted for containment.

A person proposing a waste for containment at the facility has the burden of demonstrating that the waste may be accepted under the requirements of this subdivision. The demonstration under clause (c) must document in a form satisfactory to the agency the manner in which the person has attempted to meet the standard for acceptance of the waste under clause (a) and the characteristics of the waste that prevent compliance with that standard.”

Page 5, line 28, delete “generator” and insert “person”

Page 8, line 12, delete “may be made contingent on” and insert “requiring”

Page 8, line 13, before the period insert “, are contingent on that enactment”

Page 8, line 35, delete "(d)" and insert "(e)"

Page 9, line 22, after "containment" insert ", including above grade containment"

Page 9, after line 22, insert:

"(b) procedures and standards for the operation of the facility that require the use of reduction, recycling, and recovery of any hazardous waste before the waste is accepted for stabilization when the alternative or additional management method is feasible and prudent and would materially reduce adverse impact on human health and the environment,"

Reletter remaining clauses

Page 10, line 16, delete everything after the period

Page 10, delete lines 17 to 19

Page 11, line 11, after "shall" insert ": (1)"

Page 11, line 12, delete the second "and" and insert ", including operating and design standards for the facility; and (2)"

Page 11, line 25, delete "and"

Page 11, delete line 26

Page 11, line 27, delete "1,"

Page 11, line 29, delete "and proceed" and insert a period

Page 11, delete lines 30 to 32

Page 12, delete lines 4 to 28

Page 12, delete lines 29 to 36

Page 19, line 16, delete "\$50,000" and insert "\$100,000"

Page 19, line 20, delete "\$150,000" and insert "\$200,000"

Renumber sections accordingly

Amend the title as follows:

Page 1, line 8, delete "115A.22, subdivision 4;"

Page 1, line 9, delete "115A.81,"

Page 1, line 10, delete "subdivision 2;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1991, A bill for an act relating to metropolitan government; providing for appointments, administration, reports, and duties of metropolitan agencies; amending Minnesota Statutes 1984, sections 473.121, subdivision 6, and by adding subdivisions; 473.123, subdivisions 2a, 3, and 3a; 473.141, subdivisions 2, 3, and 4a; 473.146, subdivisions 1, 2, and 3; 473.161; 473.163, subdivisions 1 and 2; and 473.303, subdivisions 2 and 4a; Minnesota Statutes 1985 Supplement, section 473.38, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1984, sections 473.121, subdivision 7; 473.163, subdivisions 3 and 4; 473.373, subdivision 3; 473.377; and 473.38, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 473.121, is amended by adding a subdivision to read:

Subd. 5a. "Metropolitan governmental unit" means any unit of government created by chapter 473, including the council, parks and open space commission, transit board, transit commission, waste control commission, airports commission, sports facilities commission, and mosquito control district.

Sec. 2. Minnesota Statutes 1984, section 473.121, is amended by adding a subdivision to read:

Subd. 5b. "Metropolitan agency" means the metropolitan waste control commission and the regional transit board.

Sec. 3. Minnesota Statutes 1984, section 473.121, subdivision 6, is amended to read:

Subd. 6. "Local governmental unit" means any county, city, town, school district, special district or other political subdivisions or public corporation, other than a metropolitan (COM-

MISSION) *governmental unit*, lying in whole or part within the metropolitan area.

Sec. 4. Minnesota Statutes 1984, section 473.123, subdivision 2a, is amended to read:

Subd. 2a. [TERMS.] Following each apportionment of council districts, as provided under subdivision 3a, (THE TERMS OF) council members (SHALL COMMENCE ON THE EFFECTIVE DATE OF THAT APPORTIONMENT,) *must be appointed from newly drawn districts* as provided in subdivision 3a. The terms of members are as follows: members representing even-numbered districts for terms ending the first Monday in January of the year ending in the numeral "7"; members representing odd-numbered districts for terms ending the first Monday in January of the year ending in the numeral "5." Thereafter the term of each member is four years, *with terms ending the first Monday in January*, except that all terms expire on the effective date of the next apportionment. A member shall continue to serve his district until a successor is appointed and qualified; except that, following each apportionment, the member shall continue to serve at large until the governor appoints 16 council members, one from each of the newly drawn council districts as provided under subdivision 3a, to serve terms as provided under this section. *The appointment to the council must be made by the first Monday in March of the year in which the term ends.*

Sec. 5. Minnesota Statutes 1984, section 473.123, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP; APPOINTMENT; QUALIFICATIONS.] (a) (THE COUNCIL SHALL BE COMPOSED OF 16) *Sixteen members must be appointed by the governor from districts defined by this section. (THE GOVERNOR SHALL APPOINT MEMBERS ON A NONPARTISAN BASIS AFTER CONSULTATION WITH ALL MEMBERS OF THE LEGISLATURE FROM THE COUNCIL DISTRICT FOR WHICH THE MEMBER IS TO BE APPOINTED. APPOINTMENTS ARE SUBJECT TO THE ADVICE AND CONSENT OF THE SENATE.)* Each council member (SHALL) *must* reside in the council district which he represents. Each council district (SHALL) *must* be represented by one member of the council.

(b) In addition to the notice required by section 15.0597, subdivision 4, notice of vacancies and expiration of terms (SHALL) *must* be published in newspapers of general circulation in the metropolitan area and the appropriate districts. *The governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which a member is to be appointed must be notified in writing. The notices must describe the appointments process and invite participation and recommendations on the appointment.*

(c) *The governor shall create a nominating committee, composed of metropolitan citizens appointed by the governor, to nominate persons for appointment to the council from districts. Following the submission of applications as provided under section 15.0597, subdivision 5, the nominating committee shall conduct public meetings, after appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the governor a list of nominees for each appointment. The governor is not required to appoint from the list.*

(d) *Before making an appointment, the governor shall consult with all members of the legislature from the council district for which the member is to be appointed.*

(e) *Appointments to the council are subject to the advice and consent of the senate as provided in section 15.066.*

(f) *Members of the council must be appointed to reflect fairly the various demographic, political, and other interests in the metropolitan area and the districts.*

(g) *Members of the council must be persons knowledgeable about urban and metropolitan affairs.*

Sec. 6. Minnesota Statutes 1984, section 473.123, subdivision 3a, is amended to read:

Subd. 3a. [APPORTIONMENT.] The legislature shall redraw the boundaries of the council districts after each decennial federal census so that each district has substantially equal population. Redistricting is effective on the first Monday in January in the year ending in the numeral "3." (WITHIN TWO MONTHS THEREAFTER) *By the first Monday in March of that year, the governor shall appoint members from the newly drawn districts to serve terms as provided under subdivision 2a.*

Sec. 7. Minnesota Statutes 1984, section 473.141, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP; APPOINTMENTS.] (a) Each (COMMISSION SHALL CONSIST) *agency consists of eight members, plus a chairman appointed as provided in subdivision 3. The metropolitan council shall appoint the eight members on a nonpartisan basis after consultation with the members of the legislature from the (COMMISSION) district for which the*

member is to be appointed. (APPOINTMENTS ARE SUBJECT TO THE ADVICE AND CONSENT OF THE SENATE.)

(b) *In addition to the notice required in section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The council shall notify in writing the governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which the member is to be appointed. The notices must describe the appointment process and invite participation and recommendations on the appointment.*

(c) *The council shall establish an appointments committee, composed of members of the council, to screen and review candidates. Following the submission of (COMMISSION) member applications to the metropolitan council as provided under section 15.0597, subdivision 5, the (COUNCIL) appointments committee shall conduct (ONE OR MORE) public (HEARINGS ON THE MATTER OF THE APPOINTMENTS FOR THE COMMISSION DISTRICTS) meetings, following appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the council a written report that lists the persons who have applied or been nominated or recommended for the position, along with a description of the background and qualifications of each.*

((C)) (d) One member shall be appointed from each of the following (COMMISSION) agency districts:

(1) (COMMISSION) district A, consisting of council districts 1 and 2;

(2) (COMMISSION) district B, consisting of council districts 3 and 7;

(3) (COMMISSION) district C, consisting of council districts 4 and 5;

(4) (COMMISSION) district D, consisting of council districts 6 and 10;

(5) (COMMISSION) district E, consisting of council districts 8 and 9;

(6) (COMMISSION) district F, consisting of council districts 11 and 12;

(7) (COMMISSION) district G, consisting of council districts 13 and 14; and

(8) (COMMISSION) district H, consisting of council districts 15 and 16.

Sec. 8. Minnesota Statutes 1984, section 473.141, subdivision 3, is amended to read:

Subd. 3. [CHAIRMAN.] The chairman of each (COMMISSION) *agency* shall be appointed by the governor with the advice and consent of the senate (AND), shall be the ninth voting member (OF THE COMMISSION) and shall meet all qualifications established for members, except the chairman need only reside within the metropolitan area. *The council, by resolution after a public meeting on the subject, shall provide the governor with a list of nominees for the position.* Senate confirmation (SHALL BE) is as provided by section 15.066. The chairman shall preside at all meetings of the (COMMISSION) *agency*, if present, and shall perform all other duties and functions assigned to him by the (COMMISSION) *agency* or by law. Each (COMMISSION) *agency* may appoint from among its members a vice-chairman to act for the chairman during his temporary absence or disability.

Sec. 9. Minnesota Statutes 1984, section 473.141, subdivision 4a, is amended to read:

Subd. 4a. [TERMS.] Following each apportionment of metropolitan council districts, as provided under section 473.123, subdivision 3a, (THE TERMS OF MEMBERS AND THE CHAIRMAN OF EACH COMMISSION SHALL COMMENCE ON THE EFFECTIVE DATE OF THAT APPORTIONMENT,) *the metropolitan council, newly appointed as provided in section 473.123, subdivision 3a, shall appoint eight agency board members from newly drawn districts.* The terms of members and chairmen are as follows: members representing (COMMISSION) districts A, B, C, and D, and the chairman (OF EACH COMMISSION), for terms ending the first Monday in January of the year ending in the numeral "7"; members representing (COMMISSION) districts E, F, G, and H, for terms ending the first Monday in January of the year ending in the numeral "5." Thereafter the term of each member and the chairman is four years, *with terms ending the first Monday in January, except that all terms expire on the effective date of the next apportionment.* A chairman shall continue to serve until a successor is appointed and qualified. A member shall continue to serve his (COMMISSION) district until a successor is appointed and qualified; except that, following each apportionment, the member shall continue to serve at large until the metropolitan council appointed pursuant to section 473.123, subdivision 3a appoints eight (COMMISSION) members as provided under subdivision 2, to serve terms as provided under this subdivision. *The appointments to the*

agency must be made by the first Monday in May of the year in which the term ends.

Sec. 10. Minnesota Statutes 1984, section 473.146, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (WITHIN 12 MONTHS AFTER APRIL 12, 1974,) The council shall adopt (AFTER APPROPRIATE STUDY AND SUCH PUBLIC HEARINGS AS MAY BE NECESSARY, AS A PART OF ITS DEVELOPMENT GUIDE,) a long-range comprehensive policy (PLANS) plan for each metropolitan (COMMISSION AND WHEN ADOPTED, THE POLICY PLANS SHALL BE FOLLOWED BY THE COUNCIL AND THE AFFECTED COMMISSIONS) agency. The plans (SHALL) *must* substantially conform to all policy statements, purposes, goals, standards, and maps in the metropolitan development guide (SECTIONS AND COMPREHENSIVE PLANS AS) developed and adopted by the council (PURSUANT TO THE CHAPTERS OF THE MINNESOTA STATUTES DIRECTLY RELATING TO THE COUNCIL AND THE METROPOLITAN COMMISSIONS. IN PREPARING OR AMENDING A POLICY PLAN THE COUNCIL SHALL CONSULT WITH AND MAKE MAXIMUM USE OF THE EXPERTISE OF THE AFFECTED COMMISSION, AND EACH SUCH COMMISSION SHALL COOPERATE WITH AND MAKE ITS EMPLOYEES, RECORDS, STUDIES, PLANS AND OTHER INFORMATION AVAILABLE TO THE COUNCIL) under chapter 473. Each (SUCH) policy plan (SHALL) *must* include, to the extent appropriate to the functions, services, and systems covered (THEREBY), the following:

((A) A STATEMENT OF THE NEEDS OF THE METROPOLITAN AREA WITH RESPECT TO THE FUNCTIONS COVERED AND THE OBJECTIVE OF AND THE POLICIES TO BE FORWARDED BY THE POLICY PLAN;)

((B) A GENERAL DESCRIPTION OF THE PHYSICAL FACILITIES AND SERVICES TO BE DEVELOPED BY THE METROPOLITAN COMMISSION IN PERFORMING ITS FUNCTIONS;)

((C) A STATEMENT AS TO THE GENERAL LOCATION OF PHYSICAL FACILITIES AND SERVICE AREAS;)

((D) A GENERAL STATEMENT OF TIMING AND PRIORITIES IN THE DEVELOPMENT BY THE METROPOLITAN COMMISSION OF THOSE PHYSICAL FACILITIES AND SERVICE AREAS;)

((E) A GENERAL STATEMENT ON THE LEVEL OF PUBLIC EXPENDITURE BOTH CAPITAL AND OPERATING APPROPRIATE TO THE FACILITIES AND)

(a) *Forecasts of changes in the general levels and distribution of population, households, employment, land uses, and other relevant matters, for the metropolitan area and appropriate subareas, to be used in preparing the implementation plan of the affected metropolitan agency;*

(b) *A statement of issues, problems, needs, and opportunities with respect to the functions, services, and systems covered;*

(c) *A statement of the council's goals, objectives, and priorities with respect to the functions, services, and systems covered, addressing areas and populations to be served, the levels, distribution, and staging of services, a general description of the facility systems required to support the services, and other similar matters;*

(d) *A statement of policies to effectuate the council's goals, objectives, and priorities;*

(e) *A statement of the fiscal implications of the council's plan, including a statement of: (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if any, that are or may be required to effectuate the council's goals, objectives, and priorities; and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental aids respectively, that are expected or that the council has recommended or may recommend;*

(f) *A statement of the standards, criteria, and procedures that the council will use in monitoring and evaluating the implementation of the plan;*

(g) *A statement of the matters that must be addressed in the implementation plan of the affected metropolitan agency;*

(h) *A statement of the relationship of the policy plan to other policy plans and chapters of the metropolitan development guide;*

((F)) (i) *A statement of the relationships to (ANY CURRENT) local comprehensive plans (AND ANY RELATED DEVELOPMENT PROGRAMS ON FILE WITH THE COUNCIL) prepared under sections 473.851 to 473.872; and*

((G) SUCH) (j) *Additional general information as may be necessary to develop the policy plan or as may be required by the laws relating to the metropolitan (COMMISSION) agency and function covered by the policy plan (; AND)*

((H) A GENERAL STATEMENT RELATING TO FUTURE POPULATION, EMPLOYMENT LEVELS, AND LAND

USE IN THE METROPOLITAN AREA AND IN THE INDIVIDUAL LOCAL GOVERNMENTAL UNITS LOCATED THEREIN, INCLUDING POPULATION DENSITIES AND ANTICIPATED RATES OF CHANGE IN SUCH DENSITIES).

Sec. 11. Minnesota Statutes 1984, section 473.146, subdivision 2, is amended to read:

Subd. 2. [CONSULTATION WITH AGENCY; PRE-DRAFTING NOTICE.] *In preparing or amending the policy plan, the council shall consult with and make maximum use of the expertise of the affected metropolitan agency. The agency shall cooperate with the council and make its records, studies, plans, and other information available to the council.*

Before beginning to prepare a substantial revision of a policy plan, the council shall publish notice and request comments from the public. At least 90 days before publication of the pre-drafting notice, the council shall submit a draft of the notice to the affected metropolitan agency for review and comment. The pre-drafting notice must include a statement of the subjects expected to be covered by the policy and implementation plans; a summary of important problems, issues, and matters that are expected to be addressed in the plans; and a summary of the studies and other information required as the basis of the plans. All interested persons must be afforded an opportunity to submit data or views on the pre-drafting notice, either orally or in writing.

Before adopting a policy plan or substantial revision thereof, the council shall submit the proposed plan to the affected metropolitan (COMMISSION) agency for its review, and the (COMMISSION) agency shall report its comments to the council within (60) 90 days (AND MAY, WITHIN THAT PERIOD REQUEST THE COUNCIL TO HOLD A SPECIAL PUBLIC HEARING FOR THE PURPOSE OF RECEIVING THE COMMISSION'S REPORT AND COMMENTS. WITHIN 60 DAYS AFTER THE SUBMISSION OF THE PROPOSED PLAN TO THE COMMISSION, ANY LOCAL GOVERNMENTAL UNIT MAY REQUEST A PUBLIC HEARING FOR THE PURPOSE OF RECEIVING TESTIMONY FROM LOCAL GOVERNMENTAL UNITS AND THE GENERAL PUBLIC CONCERNING THE PROPOSED POLICY PLAN PRIOR TO THE ADOPTION OF A POLICY PLAN. WITHIN A REASONABLE TIME, NOT TO EXCEED 60 DAYS, AFTER RECEIVING A REQUEST FOR A HEARING.).

Subd. 2a. [HEARING; ADOPTION.] The council shall hold a public hearing on the proposed policy plan at (SUCH) a time and place in the metropolitan area (AS IT SHALL DETERMINE) *determined by the council.* Not less than 15 days before the hearing, the council shall publish notice (THEREOF) in a newspaper or newspapers having general circulation in the

metropolitan area, stating the date, time and place of hearing, and the place where the proposed policy plan and (COMMISSION) *agency* comments may be examined by any interested person. At any hearing interested persons (SHALL) *must* be permitted to present their views on the policy plan, and the hearing may be continued from time to time. After receipt of the (COMMISSION'S) *agency's* report and (SUCH) *the* hearing, (IF ANY,) the council may revise the proposed plan giving appropriate consideration to all comments received, and thereafter shall adopt the plan by resolution.

Subd. 2b. [EFFECT.] Adopted policy plans must be followed by the council and the affected metropolitan agency.

Subd. 2c. [AMENDMENT.] An amendment to a policy plan may be initiated by the council or by an affected (COMMISSION) *metropolitan agency*. At least every (FOUR) *five* years the council shall engage in a comprehensive review of the policy plan *and revise the plan as necessary*. (DEVELOPMENT GUIDE SECTIONS, COMPREHENSIVE PLANS, CAPITAL IMPROVEMENT PROGRAMS AND OTHER PLANS IN SUBSTANTIAL CONFORMANCE WITH THE REQUIREMENTS OF SUBDIVISION 1 WHICH HAVE BEEN ADOPTED BY THE COUNCIL PURSUANT TO MINNESOTA STATUTES 1971, CHAPTERS 473A, 473B AND 473C, SHALL CONTINUE IN FORCE AND EFFECT UNTIL EXPRESSLY SUPERSEDED BY A POLICY PLAN ADOPTED PURSUANT TO THIS SUBDIVISION.) The council shall (NOT) amend a policy plan (EXCEPT) in accordance with the procedures (HEREIN) established *in this section*.

Sec. 12. Minnesota Statutes 1984, section 473.146, subdivision 3, is amended to read:

Subd. 3. [TRANSPORTATION POLICY PLAN.] The (COUNCIL SHALL ADOPT A) transportation policy plan (AS A PART OF ITS COMPREHENSIVE DEVELOPMENT GUIDE AS PROVIDED IN SUBDIVISIONS 1 AND 2. THE REGIONAL TRANSIT BOARD SHALL PERFORM THE FUNCTIONS AND HAVE THE RESPONSIBILITY AND AUTHORITY PROVIDED FOR A METROPOLITAN COMMISSION. THE POLICY PLAN) must include policies relating to all transportation forms and be designed to promote the legislative determinations, policies and goals set forth in section 473.371. (IN ADDITION TO THE REQUIREMENTS OF SUBDIVISION 1 REGARDING THE CONTENTS OF THE POLICY PLAN, THE TRANSIT ELEMENTS OF THE PLAN MUST INCLUDE THE FOLLOWING:)

(1) A STATEMENT OF SERVICE OBJECTIVES, POLICIES, AND STANDARDS THAT SHOULD GOVERN THE DISTRIBUTION, COORDINATION, AND GENERAL LOCA-

TION OF FACILITIES, SERVICES, AND SERVICE AREAS TO BE PLANNED, DEPLOYED, OR DEVELOPED BY OR UNDER THE DIRECTION OR AUSPICES OF THE TRANSIT BOARD;)

((2) A GENERAL STATEMENT OF TIMING AND PRIORITIES IN THE PLANNING, DEPLOYMENT, AND DEVELOPMENT OF SERVICES;)

((3) A STATEMENT OF THE POLICIES AND STANDARDS THAT SHOULD GOVERN THE LEVELS OF PUBLIC EXPENDITURE, BOTH CAPITAL AND OPERATING, FOR VARIOUS SERVICES AND SERVICE AREAS;)

((4) A STATEMENT OF THE POLICIES AND STANDARDS THAT SHOULD GOVERN TOTAL ANNUAL REGIONAL FUNDING LEVELS, THE SOURCES OF FUNDS, AND THE DISTRIBUTION OF FUNDS AMONG THE FACILITIES, SERVICES, AND SERVICE AREAS; AND)

((5) A DESCRIPTION OF THE CONTENTS THAT SHOULD BE INCLUDED IN THE IMPLEMENTATION PLANS PREPARED BY THE TRANSIT BOARD.)

(IN ADDITION TO THE REQUIREMENTS OF SUBDIVISIONS 1 AND 2 REGARDING THE USE OF THE EXPERTISE OF THE AFFECTED AGENCY, THE STATE TRANSPORTATION DEPARTMENT, METROPOLITAN TRANSIT COMMISSION, AND AFFECTED COUNTIES AND MUNICIPALITIES MAY PROVIDE TECHNICAL ASSISTANCE REQUESTED BY THE COUNCIL. THE COUNCIL SHALL AMEND ITS POLICY PLAN TO CONFORM TO THE REQUIREMENTS OF THIS SUBDIVISION BY JANUARY 1, 1986.)

Sec. 13. Minnesota Statutes 1984, section 473.161, is amended to read:

473.161 [DEVELOPMENT PROGRAMS OF METROPOLITAN COMMISSIONS.]

(SUBDIVISION 1. [PREPARATION OF DEVELOPMENT PROGRAMS.] EACH METROPOLITAN COMMISSION SHALL PREPARE A DEVELOPMENT PROGRAM COVERING THE DETAILED TECHNICAL PLANNING, ENGINEERING, FINANCING, SCHEDULING AND OTHER INFORMATION NECESSARY TO THE DEVELOPMENT OF THE PROGRAM ELEMENTS TO BE PERFORMED BY THE COMMISSION IN IMPLEMENTING THE POLICY PLAN ADOPTED BY THE COUNCIL PURSUANT TO SECTION 473.146. THE PROGRAM MAY INCLUDE SUCH OTHER TECHNICAL INFORMATION AS THE METROPOLITAN

COMMISSION DEEMS NECESSARY. THE PROGRAM SHALL PRESCRIBE AND DELINEATE THE FUNCTIONS TO BE PERFORMED AND ACTIVITIES TO BE UNDERTAKEN BY THE METROPOLITAN COMMISSION AND SHALL COVER AT LEAST THE FIVE YEAR PERIOD COMMENCING WITH THE FIRST CALENDAR YEAR BEGINNING AFTER ITS APPROVAL OR SUCH LONGER PERIOD AS THE COUNCIL MAY PRESCRIBE. THE PROGRAM SHALL DESCRIBE ALL CAPITAL IMPROVEMENTS TO BE UNDERTAKEN IN SUCH PERIOD AND WITH RESPECT TO EACH IMPROVEMENT SHALL INCLUDE THE FOLLOWING:)

((A) A DESCRIPTION OF THE IMPROVEMENT, ITS LOCATION, FUNCTION AND ESTIMATED COST;)

((B) THE PROPOSED MANNER OF FINANCING THE CAPITAL COSTS OF THE IMPROVEMENT, AND THE SOURCES OF REVENUE AVAILABLE FOR PAYMENT OF SUCH COSTS;)

((C) A SCHEDULE SHOWING ON A YEARLY BASIS THE TIMING OF LAND ACQUISITION, CONSTRUCTION AND CAPITAL EXPENDITURES FOR THE IMPROVEMENTS;)

((D) A REVIEW AND DESCRIPTION OF THE PUBLIC NEED FOR THE IMPROVEMENT, ALTERNATIVES TO THE IMPROVEMENT, (INCLUDING ALTERNATIVES NOT INVOLVING CAPITAL EXPENDITURES), THE ENVIRONMENTAL AND SOCIAL EFFECTS OF THE IMPROVEMENT AND ALL ACTIONS AND STEPS THEREFORE TAKEN BY THE COMMISSION WITH RESPECT TO THE IMPROVEMENT;)

((E) AN ESTIMATE OF THE PROBABLE IMPACT OF THE IMPROVEMENT ON THE RESPONSIBILITIES OF THE OTHER METROPOLITAN COMMISSIONS;)

((F) AN ESTIMATE OF THE ANNUAL OPERATING COSTS OF THE IMPROVEMENT AND THE SOURCES OF REVENUE AVAILABLE FOR PAYMENT OF SUCH COSTS;)

((G) AN EVALUATION OF THE RELATIVE PRIORITY OF THE IMPROVEMENT TAKING INTO CONSIDERATION OTHER CAPITAL IMPROVEMENTS DESCRIBED IN THE PROGRAM;)

((H) EACH PROGRAM SHALL INCLUDE SUCH ADDITIONAL INFORMATION AS THE COUNCIL OR COMMISSION MAY DEEM APPROPRIATE.)

(UPON A REQUEST FROM ANY LOCAL GOVERNMENTAL UNIT, THE COMMISSION SHALL HOLD A PUBLIC HEARING FOR THE PURPOSE OF RECEIVING TESTIMONY FROM LOCAL GOVERNMENTAL UNITS AND THE PUBLIC PRIOR TO SUBMISSION TO THE COUNCIL AS PROVIDED IN SUBDIVISION 2.)

Subd. 1a. [REQUIREMENT; PURPOSE.] Each metropolitan agency shall adopt an implementation plan meeting the requirements of this section. The implementation plan must implement and effectuate the policy plan adopted by the council under section 473.146. Elements of the implementation plan must cover the period or periods prescribed in the council's policy plan.

Subd. 1b. [CONTENT.] The implementation plan must include the following:

(a) A statement of objectives and priorities for capital development, services, and system management;

(b) A statement of agency plans to achieve the objectives, describing the functions, services, and systems that will be provided by or under the direction or auspices of the agency;

(c) A statement of how the agency's objectives, priorities, and plans will implement and effectuate the council's policy plan;

(d) A statement of the fiscal implications of the agency's plan, including a statement of: (i) the anticipated expenditure of public and private funds, for capital developments, services, and system administration and management, and the changes in expenditure levels that the plan represents; (ii) the resources available under existing fiscal policy and additional resources, if any, that are or may be required to effectuate the agency's plan; (iii) any changes in agency policy on regional sources of revenue and changes in levels of debt, user charges, and taxes; (iv) other changes in existing fiscal policy, on regional revenues and intergovernmental aids respectively, that are expected or that the agency has recommended or may recommend; and (v) the effect on functions and levels and types of services, and the agency's contingency and cost-containment strategies, if the additional resources required to effectuate the agency's plan do not become available;

(e) A statement of the standards, criteria, and procedures that the agency will use in monitoring and evaluating the results of the implementation plan;

(f) A statement of the effect of the plan on the responsibilities of other governmental units; and

(g) Other information that the council or agency deems appropriate.

The plan must include a services and systems management component that describes the levels and costs of services that will be provided to service areas and populations within the metropolitan area. The services and systems management component must describe: (a) service needs, objectives and priorities, (b) changes in existing services, (c) deployment of new services, (d) distribution and coordination of services, (e) delivery methods and providers, (f) system management and administration, (g) costs, (h) manner of finance and revenue sources, including federal and state funds, private funds, taxes, and user charges, and (i) fiscal effects.

The plan must include a capital investment component that sets forth a capital investment strategy and estimates the fiscal and other effects of the strategy. The capital investment component must specify, to the extent practicable, the capital improvements to be undertaken. For each improvement specified, the plan must describe: (a) need, function, objective, and relative priority; (b) alternatives, including alternatives not involving capital expenditures; (c) ownership and operating entity; (d) location and schedule of development; (e) environmental, social, and economic effects; (f) cost; (g) manner of finance and revenue sources, including federal and state funds, private funds, taxes, and user charges; and (h) fiscal effects, including an estimate of annual operating costs and sources of revenue to pay the costs.

Subd. 2. [(SUBMISSION TO) PROCEDURE; REVIEW AND APPROVAL BY COUNCIL.] The (DEVELOPMENT PROGRAM) implementation plan prepared by the metropolitan (COMMISSION SHALL) agency must be submitted to the council for review (AND APPROVAL OR DISAPPROVAL) at the time or times stated in the policy plan. The agency shall hold a public hearing on the plan before submitting it to the council and shall transmit a report of the hearing to the council along with the plan. The council shall complete its review within 90 days after receipt of the proposed (DEVELOPMENT PROGRAM) implementation plan. In the course of its review of the implementation plan the council shall publish an analysis and evaluation of the success of the agency in effectuating the council's policy plan. If the council determines that the (PROGRAM) implementation plan is consistent with the policy plan it shall approve the (PROGRAM) plan as submitted. If it determines that the (PROGRAM) implementation plan or part thereof is inconsistent with the policy plan, it shall disapprove it and (RETURN IT TO) require the submitting (COMMISSION WITH COMMENTS AND THE COMMISSION SHALL) agency to make (APPROPRIATE) revisions in the (PROGRAM AND RESUBMIT IT TO THE COUNCIL FOR REVIEW AND APPROVAL OR DISAPPROVAL. BEFORE APPROVING A PROGRAM OR RETURNING IT TO THE SUBMITTING COMMIS-

SION, THE COUNCIL SHALL HOLD A PUBLIC HEARING FOR THE PURPOSE OF CONSIDERING THE PROGRAM AND THE COUNCIL'S COMMENTS THEREON, IF REQUESTED TO DO SO BY THE AFFECTED COMMISSION. THE COUNCIL MAY APPROVE OR DISAPPROVE A DEVELOPMENT PROGRAM IN WHOLE OR IN PART.) *implementation plan necessary to bring it into conformance with the policy plan. The agency shall make the revisions required by the council within 60 days, or a longer period agreed to by the council, and resubmit the plan to the council for review. If the agency refuses to make the revisions required by the council in the time allowed, the council shall hold a public hearing on the matter in dispute. At the hearing the council shall make an affirmative presentation of its position on the required revisions, shall allow the agency to present its objections to the revisions, and shall allow all persons to present their views on the matter. Following the hearing the council shall prepare a report on the hearing, including a summary of the disagreeing positions of the council and the agency, and shall make a final decision on the revision. If the council decides to require revision, the council's decision shall contain specific changes in the implementation plan. The changes contained in the council's decision are binding on the agency and are part of the implementation plan required to be adopted and implemented by the agency under subdivision 3.*

Subd. 2a. [AMENDMENT.] (WITHIN TWO YEARS OF THE APPROVAL OF ITS FIRST DEVELOPMENT PROGRAM BY THE COUNCIL AND) At least biennially (THEREAFTER) each (COMMISSION) metropolitan agency shall review the (PROGRAM) implementation plan, make (SUCH) the revisions (AS ARE) necessary (, INCLUDING AN UPDATING OF THE FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM,) and submit the (PROGRAM) plan to the council for its review (AND APPROVAL OR DISAPPROVAL) as (HEREIN) provided in this section.

Subd. 3. [ADOPTION; EFFECT (OF DEVELOPMENT PROGRAM).] (AFTER APPROVAL BY THE COUNCIL OF A DEVELOPMENT PROGRAM THE COMMISSION) The metropolitan agency shall adopt and implement the (PROGRAM) implementation plan, with the revisions required by the council, within 60 days following council approval. (NO CAPITAL IMPROVEMENTS SHALL BE UNDERTAKEN BY THE METROPOLITAN COMMISSION UNLESS AUTHORIZED BY THE PROGRAM OR) The activities of the agency must be consistent with its approved and adopted implementation plan or be specifically approved by the council. The council (SHALL) may not approve any (IMPROVEMENT) activity not in substantial conformance with the appropriate policy plan.

Sec. 14. [473.1623] [METROPOLITAN GOVERNMENTAL UNITS; FINANCIAL REPORTING AND MANAGEMENT.]

Subdivision 1. [PURPOSE.] The purpose of this section is to enhance the efficiency, effectiveness, and responsiveness of metropolitan governmental units and services, by improving coordination among metropolitan governmental units in financial reporting and management for metropolitan systems and services.

Subd. 2. [FINANCIAL REPORTING AND MANAGEMENT ADVISORY COMMITTEE.] A financial reporting and management advisory committee is created, consisting of the chairs of the following metropolitan governmental units: the council, waste control commission, transit board, airports commission, and sports facilities commission. The committee is established to assist and advise the council and other governing boards in meeting the requirements of this section. Staff and administrative services for the committee must be provided by the member units. Other governmental units and agencies shall make financial information available upon request.

Subd. 3. [FINANCIAL REPORT.] (1) By December 15 of even-numbered years, the council, in consultation with the advisory committee, shall publish a consolidated financial report for all metropolitan governmental units, functions, services, and systems. The financial report must cover the calendar year in which the report is published and the two years preceding and three years succeeding that year. The financial report must contain the following information, for each unit, 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:

(a) financial policies, goals, and priorities;

(b) 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;

(c) the resources available under existing fiscal policy;

(d) additional resources, if any, that are or may be required;

(e) changes in agency policies on regional sources of revenue and in levels of debt, user charges, and taxes;

(f) 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 respective agencies;

(g) *an analysis that links, as far as practicable, the uses of funds and the sources of funds, by appropriate categories and in the aggregate;*

(h) *a description of how the fiscal policies effectuate current policy and implementation plans of the governmental units concerned; and*

(i) *a summary of significant changes in 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.

Subd. 4. [FINANCIAL REPORTING; BUDGETING.] The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop uniform or consistent standards, formats, and procedures for the budgets and financial reports of all metropolitan governmental units. The council shall report to the legislature from time to time on progress made by the committee in improving the uniformity and quality of budgets and financial reports and on legislation that may be needed for this purpose.

Subd. 5. [ADMINISTRATIVE COORDINATION.] The advisory committee shall evaluate the benefits, costs, methods, and effects, including operational effects, of joint or uniform and coordinated exercise of powers by metropolitan governmental units for appropriate administrative functions. The study must include at least contracts, purchasing, data processing, and personnel. The council shall report to the legislature on the findings and recommendations of the advisory committee to date by January 1, 1987, and on legal and other impediments to increased coordination of administrative functions. Before submitting the report, the council shall request comments on the report from the affected governmental units, and the comments must be submitted along with the report.

Sec. 15. Minnesota Statutes 1984, section 473.163, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] Each metropolitan (COMMISSION) agency shall prepare a proposed budget (FOR CALENDAR YEAR 1976 AND EACH CALENDAR YEAR THEREAFTER. THE PROPOSED BUDGET SHALL BE PREPARED ON OR BEFORE) by August 1 (, 1975 AND) of each year (THEREAFTER). The budget must be consistent with and effectuate the implementation plan. The budget (SHALL) must show for each (SUCH) year:

(a) The estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service; (AND)

(b) Capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year; all in such detail and form as the council may prescribe; *and*

(c) *The estimated source and use of pass-through funds.*

Sec. 16. Minnesota Statutes 1984, section 473.163, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE; APPROVAL OF COUNCIL.] (BETWEEN) *As early as practicable before August (1 AND SEPTEMBER 1) 15 of each year, the (COMMISSION) agency shall hold a public hearing on a draft of the proposed budget. Along with the draft, the agency shall publish a report on user charges. The report must include an estimate and analysis of the changes in user charges, rates, and fees that will be required by the agency's budget. Not less than 14 days before the hearing, the (COMMISSION) agency shall publish notice (THEREOF) of the hearing in a newspaper having general circulation in the metropolitan area, stating the date, time and place of hearing, and the place where the proposed budget and report on user charges may be examined by any interested person. Following the hearing, the agency shall publish a report of the hearing that summarizes the comments received and the agency's response. Until the budget for agency fiscal year 1990, those parts of the budget relating to revenues and expenditures for capital improvements (SHALL) must be submitted to the council (ON OR BEFORE) by August (1) 15 of each year (AND SHALL BE SUBJECT TO) for review and approval by the council. If council approval is required the council shall act to approve or disapprove by October 1 of each year. Before December 15 of each year the (COMMISSION, AFTER OBTAINING APPROVAL OF THE COUNCIL FOR ANY CHANGES IN THE CAPITAL IMPROVEMENTS BUDGET,) agency shall by resolution adopt a final budget. Each (COMMISSION) agency shall file its final budget with the council on or before December 20 of each year. The council shall file the budgets with the secretary of the senate and the clerk of the house of representatives not later than January 1 of each year.*

Subd. 2a. [EFFECT.] Except in an emergency, for which procedures (SHALL) *must* be established by the (COMMISSION) agency, the (COMMISSION) agency and its officers, agents and employees (SHALL) *may* not spend money for any purpose, other than debt service, without an appropriation by the (COMMISSION OR IN EXCESS OF THE AMOUNT APPROPRIATED THEREFOR) agency, and no obligation to make

such an expenditure shall be enforceable except as the obligation of the person or persons incurring it. The creation of any debt obligation or the receipt of any federal or state grant is a sufficient appropriation of the proceeds for the purpose for which it is authorized, and of the tax or other revenues pledged to pay the obligation and interest on it whether or not specifically included in any annual budget. (THE COMMISSION MAY,) After obtaining approval of the council, *if required under subdivision 2, the agency may* amend the (CAPITAL IMPROVEMENTS) budget at any time by transferring any appropriation from one purpose to another, except appropriations of the proceeds of bonds issued for a specific purpose. (THE COUNCIL SHALL FILE THE BUDGETS OF ALL COMMISSIONS WITH THE SECRETARY OF THE SENATE AND THE CLERK OF THE HOUSE OF REPRESENTATIVES NOT LATER THAN JANUARY 15 OF EACH YEAR.)

Sec. 17. Minnesota Statutes 1984, section 473.303, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The commission shall consist of eight members, plus a chairman appointed as provided in subdivision 3. The metropolitan council shall appoint the eight members (ON A NONPARTISAN BASIS.)

(ONE MEMBER SHALL BE APPOINTED FROM EACH OF THE FOLLOWING COMMISSION DISTRICTS:)

((1) COMMISSION DISTRICT A, CONSISTING OF COUNCIL DISTRICTS 1 AND 2;)

((2) COMMISSION DISTRICT B, CONSISTING OF COUNCIL DISTRICTS 3 AND 7;)

((3) COMMISSION DISTRICT C, CONSISTING OF COUNCIL DISTRICTS 4 AND 5;)

((4) COMMISSION DISTRICT D, CONSISTING OF COUNCIL DISTRICTS 6 AND 10;)

((5) COMMISSION DISTRICT E, CONSISTING OF COUNCIL DISTRICTS 8 AND 9;)

((6) COMMISSION DISTRICT F, CONSISTING OF COUNCIL DISTRICTS 11 AND 12;)

((7) COMMISSION DISTRICT G, CONSISTING OF COUNCIL DISTRICTS 13 AND 14; AND)

((8) COMMISSION DISTRICT H, CONSISTING OF COUNCIL DISTRICTS 15 AND 16) *in accordance with the provisions of section 473.141.*

Sec. 18. Minnesota Statutes 1984, section 473.303, subdivision 4a, is amended to read:

Subd. 4a. [TERMS.] Following each apportionment of metropolitan council districts, as provided under section 473.123, subdivision 3a, the (TERMS OF MEMBERS AND THE CHAIRMAN OF THE COMMISSION SHALL COMMENCE ON THE EFFECTIVE DATE OF THAT APPORTIONMENT,) *metropolitan council appointed* as provided in section 473.123, subdivision 3a, shall appoint a chair and eight commission members from newly drawn districts. The terms of members and chairmen are as follows: members representing commission districts A, B, C, and D, and the chairman of the commission, for terms ending the first Monday in January of the year ending in the numeral "7"; members representing commission districts E, F, G, and H, for terms ending the first Monday in January of the year ending in the numeral "5." Thereafter the term of each member and the chairman is four years, *with terms ending the first Monday in January*, except that all terms expire on the effective date of the next apportionment. The chairman shall continue to serve until a successor is appointed and qualified. A member shall continue to serve his commission district until a successor is appointed and qualified; except that, following each apportionment, the member shall continue to serve at large until the metropolitan council appointed pursuant to section 473.123, subdivision 3a appoints eight commission members as provided under subdivision 2, to serve terms as provided under this subdivision. *The appointments to the commission must be made by the first Monday in May of the year in which the term ends.*

Sec. 19. Minnesota Statutes 1985 Supplement, section 473.38, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL PLAN; COUNCIL APPROVAL.] Along with its annual budget, each *even-numbered* year the board shall prepare a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must be consistent with the board's implementation plan and must contain the elements specified in section (473.377, SUBDIVISION 2, CLAUSES (A), (E), (F), AND (G)) 14, *subdivision 3*. The financial plan (PREPARED IN EVEN-NUMBERED YEARS) must contain a proposed request for state financial assistance for the succeeding biennium. The board shall submit the financial plan to the council for review and approval or disapproval. The council may approve or disapprove in whole or in part. The council may disapprove only for inconsistency with the policy plan of the council.

Sec. 20. [REPEALER.]

Minnesota Statutes 1984, sections 473.121, subdivision 7; 473.163, subdivisions 3 and 4; 473.373, subdivision 3; 473.377; and 473.38, subdivision 1, are repealed.

Sec. 21. [APPLICATION.]

Sections 1 to 20 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Sections 10 to 13 are effective for plans and plan amendments adopted after January 1, 1987, and do not apply to the amendments to the transportation policy plan and transit implementation plan required to be adopted in 1986 by Laws 1984, chapter 654, article 3, sections 108 and 118.

Sec. 22. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the phrase "metropolitan commission" to "metropolitan agency" and the word "commission" to "agency," if it refers to a metropolitan agency, wherever they appear in chapter 473, except as otherwise provided in section 3, in the next and subsequent editions of the statutes.

Sec. 23. [REPORT.]

The report required in 1986 by section 14, subdivision 3, should be in the scope and detail that the council, in consultation with the advisory committee, deems appropriate and practicable."

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2014, A bill for an act relating to elections; making changes in registration, caucuses, ballots, affidavits of candidacy and withdrawal, nominations, election certificates, and election judge qualifications; amending Minnesota Statutes 1984, sections 201.018, subdivision 2; 201.095; 201.12, subdivision 2; 201.15, subdivision 1; 202A.11, subdivision 2; 202A.16, subdivision 1; 204B.03; 204B.06, subdivision 1; 204B.07, subdivision 4; 204B.09, subdivision 1; 204B.10, by adding a subdivision; 204B.-12, subdivision 3; 204B.35, subdivision 2; 204C.40, subdivision 1; 204D.11, subdivisions 3, 5, and 6; 206.71, by adding a subdivision; and 208.03.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 2

Page 9, after line 32, insert:

"Sec. 19. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

Renumber the sections accordingly

Amend the title as follows :

Page 1, line 7, delete "201.095;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1016, 1568, 1757, 1772, 1800, 1807, 1815, 1824, 1851, 1885, 1926, 1928, 1962, 1991 and 2014 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced :

Kvam, Redalen, Uphus, Waltman and Omann introduced :

H. F. No. 2127, A bill for an act relating to taxation; delaying payment of second installment of property taxes on agricultural property; delaying payment of first installment of property taxes on agricultural homestead property for 1986 only; appropriating money; amending Minnesota Statutes 1984, sections 276.09; 276.10; 278.03; Minnesota Statutes 1985 Supplement, sections 278.05, subdivision 5; and 279.01, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

McKasy introduced :

H. F. No. 2128, A bill for an act relating to taxation; authorizing the commissioner of revenue to pay the cost of collection agencies; changing the payment of fees for recording certain liens; removing the homestead exemption from liens; authorizing the renewal of liens; limiting the enforcement of liens on homesteads; changing the interest rate paid on refunds; increasing penalties for failure to file income tax returns; requiring tax clearance certificates prior to issuing or renewing business or professional licenses and removing the sunset; providing for

the furnishing of certain information to the supreme court or certain professional bodies; requiring social security numbers on homestead applications; providing penalties; providing a sales tax on intoxicating liquor at the wholesale level; appropriating money; amending Minnesota Statutes 1984, sections 60.17, by adding a subdivision; 82.27, by adding a subdivision; 148.10, by adding a subdivision; 150A.08, by adding a subdivision; 270.69, by adding a subdivision; 270.72, subdivisions 1, 2, and 3; 290.53, subdivision 2; 290.61; 297A.01, subdivision 9; 297A.02, by adding a subdivision; 297A.03, subdivision 2; 297A.04; 297A.08; 297A.18; 297A.27, subdivision 1; 297A.275; 297A.28; 297A.43; and 326.20, by adding a subdivision; amending Minnesota Statutes 1985 Supplement, sections 147.021, by adding a subdivision; 270.063; 270.69, subdivisions 2, 3, and 4; 270.76; and 273.124, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 1984, sections 270.72, subdivision 5; and 297A.02, subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

Nelson, K., introduced:

H. F. No. 2129, A bill for an act relating to local government; providing for the membership of the city of Minneapolis and Hennepin county building commission; amending Laws 1903, chapter 247, section 1, as amended.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Sparby, Beard, Begich, Thorson and Fjoslien introduced:

H. F. No. 2130, A bill for an act relating to public safety; regulating transportation of firearms and bows; amending Minnesota Statutes 1984, section 100.29, subdivision 5.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Seaberg, McKasy and Metzen introduced:

H. F. No. 2131, A bill for an act relating to local government; permitting the establishment of special service districts in the city of Mendota Heights; providing taxing and other financial authority for the city.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Kelly, Vellenga, Valento, Clark and Stanius introduced:

H. F. No. 2132, A bill for an act relating to metropolitan government; providing for the appointment of a senior citizen to the regional transit board; amending Minnesota Statutes 1985 Supplement, section 473.373, subdivision 4.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Segal introduced:

H. F. No. 2133, A bill for an act relating to health; requiring a mortality study of cancer in St. Louis Park; appropriating money.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Boo and Frederick introduced:

H. F. No. 2134, A bill for an act relating to human services; creating a service for the blind and visually handicapped in the department of jobs and training; providing for appeals; providing a penalty; amending Minnesota Statutes 1985 Supplement, sections 13.46, subdivision 2; 248.07, subdivisions 1, 2, 3, 4, 5, 7, 12, 14, 14a, and 15; proposing coding for new law in Minnesota Statutes, chapters 13 and 248; repealing Minnesota Statutes 1985 Supplement, section 248.08.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Gutknecht, Clark, Greenfield, Dempsey and Knickerbocker introduced:

H. F. No. 2135, A bill for an act relating to health insurance; providing health insurance for certain retired teachers; amending Minnesota Statutes 1984, section 62E.14, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62E.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Bennett introduced :

H. F. No. 2136, A bill for an act relating to traffic regulations; requiring increased insurance coverage upon conviction of certain alcohol- and drug-related crimes; authorizing the commissioner to grant certain provisional licenses; amending Minnesota Statutes 1984, section 169.121, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 171.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Rose, Vanasek, Stanius and Simoneau introduced :

H. F. No. 2137, A bill for an act relating to game and fish; designation and use of waterfowl feeding or resting areas; amending Minnesota Statutes 1984, section 99.26, subdivision 5.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Rose and Stanius introduced :

H. F. No. 2138, A bill for an act relating to natural resources; disposition of wild rice license fees; amending Minnesota Statutes 1984, section 97.49, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Battaglia, Begich and Elioff introduced :

H. F. No. 2139, A bill for an act relating to natural resources; extending provisions relating to loggers permits; amending Laws 1985, First Special Session chapter 13, section 219, subdivisions 2 and 5.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Beigich, Battaglia, Minne, Elioff and Solberg introduced:

H. F. No. 2140, A bill for an act relating to taxation; reducing the taconite railroad gross earnings tax rate; reducing occupation and royalty tax rates; providing for the deduction of taconite production taxes and transportation costs; amending Minnesota Statutes 1985 Supplement, sections 294.22; 298.01, subdivision 1; 298.03; and 299.01, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Waltman, Redalen, Sparby, Frerichs and Johnson introduced:

H. F. No. 2141, A bill for an act relating to agriculture; requiring certain corporate owners of agricultural land to pay the state for damage to certain conservation improvements; requiring valuation of certain agricultural land held by corporations at more than the market value; amending Minnesota Statutes 1984, sections 273.11, subdivision 1; and 500.24, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Agriculture.

Becklin, Sparby, Solberg, Sviggum and Waltman introduced:

H. F. No. 2142, A bill for an act relating to government operations; requiring policy on location of state buildings and facilities; requiring a study and report regarding the location and benefits of state jobs; proposing coding for new law in Minnesota Statutes, chapter 116K.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Poppenhagen, Redalen, Jacobs and Rose introduced:

H. F. No. 2143, A bill for an act relating to utilities; permitting certain energy cost adjustments; amending Minnesota Statutes 1984, section 216B.16, subdivision 7.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Solberg and Neuenschwander introduced:

H. F. No. 2144, A bill for an act relating to independent school district No. 318, Grand Rapids; authorizing the transfer of certain taconite taxes to the district for payment of a portion of debt service on general obligation bonds of the district issued to finance acquisition and betterment of school buildings and facilities; appropriating money.

The bill was read for the first time and referred to the Committee on Taxes.

Dyke introduced:

H. F. No. 2145, A bill for an act relating to taxation; income; continuing the subtraction for interest on certain family farm security loans; amending Minnesota Statutes 1985 Supplement, section 290.01, subdivision 20b.

The bill was read for the first time and referred to the Committee on Taxes.

Carlson, D., introduced:

H. F. No. 2146, A bill for an act relating to natural resources; requiring public access restrictions to be the same as lake use restrictions; amending Minnesota Statutes 1984, sections 378.32, subdivisions 2, 6, and 7; and 459.20; proposing coding for new law in Minnesota Statutes, chapter 378.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Ogren introduced:

H. F. No. 2147, A bill for an act relating to public safety; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 299D.

The bill was read for the first time and referred to the Committee on Transportation.

Sviggum, Redalen, Fjoslien, Sparby and Wenzel introduced:

H. F. No. 2148, A bill for an act relating to taxation; gasoline; exempting certain alcohol mixtures; amending Minnesota Statutes 1984, section 296.03.

The bill was read for the first time and referred to the Committee on Taxes.

Bishop; Blatz; Vellenga; Nelson, K., and Valento introduced:

H. F. No. 2149, A bill for an act relating to child support; clarifying determination of support under the child support guidelines; amending Minnesota Statutes 1984, sections 518.17, subdivision 5; and 518.551, subdivision 5.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Kvam and Burger introduced:

H. F. No. 2150, A bill for an act relating to taxation; exempting from income taxation federal employees' retirement benefits paid to persons under age 65; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Greenfield, Rice, Begich, Simoneau and Ogren introduced:

H. F. No. 2151, A bill for an act relating to crimes; repealing the crime of criminal syndicalism; repealing Minnesota Statutes 1984, section 609.405.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Price, McEachern and Jacobs introduced:

H. F. No. 2152, A bill for an act relating to education; requiring secondary and post-secondary information and pupil notification of attending a post-secondary institution; requiring courses for secondary or post-secondary credit; limiting partici-

pation at a post-secondary institution; authorizing payment for post-secondary summer sessions; establishing a task force on post-secondary enrollment options; amending Minnesota Statutes 1984, sections 123.741, subdivision 1; Minnesota Statutes 1985 Supplement, sections 123.3514, subdivision 5, and by adding subdivisions; 123.741, subdivision 6; and 123.742, subdivision 1a.

The bill was read for the first time and referred to the Committee on Education.

Boo and Clark introduced:

H. F. No. 2153, A bill for an act relating to education; establishing aid and levy for adult literacy programs; amending Minnesota Statutes 1984, section 275.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124.

The bill was read for the first time and referred to the Committee on Education.

Boo; Munger; Carlson, D.; Schreiber and Neuenschwander introduced:

H. F. No. 2154, A bill for an act relating to taxation; sales and use; exempting materials consumed in certain manufacturing construction in distressed counties; amending Minnesota Statutes 1985 Supplement, sections 297A.15, subdivision 5; and 297A.257, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Haukoos, Kvam, Rees, Osthoff and Carlson, L., introduced:

H. F. No. 2155, A bill for an act relating to credit unions; creating a credit union board to supervise and regulate credit unions; amending Minnesota Statutes 1984, sections 46.01, subdivision 1; 46.04, subdivision 1; 46.05; 46.09, subdivisions 1 and 2; 46.131, subdivisions 2 and 8; 46.23, subdivision 4; 52.01; 52.03, subdivision 3; 52.06, subdivisions 1 and 2; 52.061; 52.062, subdivisions 1, 2, and 3; 52.063; 52.064, subdivisions 1 and 2; 52.08; 52.09, subdivision 2; 52.141; 52.15, subdivision 2; 52.165, subdivision 2; 52.17, subdivisions 1 and 2; 52.20, subdivisions 1, 2, 4, 5, and 6; 52.201; 52.203; and 52.21; Minnesota

Statutes 1985 Supplement, sections 46.07, subdivision 2; 52.02, subdivision 3; 52.04, subdivision 1; and 52.24, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 52.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Kahn introduced:

H. F. No. 2156, A bill for an act relating to traffic regulations; extending the prohibition against wearing headphones while operating a motor vehicle to include bicycles; amending Minnesota Statutes 1984, section 169.471, subdivision 2.

The bill was read for the first time and referred to the Committee on Transportation.

Olsen, S.; Backlund; Nelson, K.; McEachern and Schafer introduced:

H. F. No. 2157, A bill for an act relating to education; permitting research sites on performance based education; permitting waiver of certain legal mandates; proposing coding for new law in Minnesota Statutes, chapter 121.

The bill was read for the first time and referred to the Committee on Education.

Clausnitzer introduced:

H. F. No. 2158, A bill for an act relating to human services; establishing principles for serving persons with mental retardation and related conditions; providing for comprehensive review of regulations and state and county relations; governing reimbursement to intermediate care facilities for persons with mental retardation and related conditions; providing for alternative correction plans for state hospitals; changing the funding formula for semi-independent living services; providing for an exception to the moratorium on construction of intermediate care facilities for persons with mental retardation and related conditions; appropriating money; amending Minnesota Statutes 1984, sections 252.025, by adding a subdivision; 252.275, subdivision 4; and 299F.011, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 252.291, subdivision 2; and 256B.092, by adding subdivisions; proposing coding for new law

in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 1985 Supplement, section 256B.501, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Metzen and Fjoslien introduced:

H. F. No. 2159, A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1984, section 197.23.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Carlson, D., and Rose introduced:

H. F. No. 2160, A bill for an act relating to environment; providing for rewards for information leading to recovery of civil penalties and criminal fines for hazardous waste violations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Ozment introduced:

H. F. No. 2161, A bill for an act relating to industrial development bonds; requiring the refund of application deposits to the city of Hastings.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Haukoos, Rose, Vanasek, Onnen and Ozment introduced:

H. F. No. 2162, A bill for an act relating to crimes; requiring health professionals to report certain burn injuries; amending Minnesota Statutes 1984, section 626.53; and Minnesota Statutes 1985 Supplement, section 626.52, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Ogren and Bennett introduced :

H. F. No. 2163, A bill for an act relating to commerce; removing the residency and incorporation requirements for licensed distributors and operators of video games of chance; amending Minnesota Statutes 1984, section 349.51, subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Dimler and Quist introduced :

H. F. No. 2164, A bill for an act relating to agriculture; ratifying the Interstate Compact on Agricultural Grain Marketing; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 236A.

The bill was read for the first time and referred to the Committee on Agriculture.

Zaffke and Solberg introduced :

H. F. No. 2165, A bill for an act relating to historical sites; renaming a state historic site and establishing new boundaries; amending Minnesota Statutes 1984, section 138.58, subdivision 34.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Knickerbocker and Simoneau introduced :

H. F. No. 2166, A bill for an act relating to state government; ratifying certain labor agreements and compensation and salary plans; granting authority to the legislative commission on employee relations.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Piepho, Welle, Thorson, Marsh and Carlson, J., introduced:

H. F. No. 2167, A bill for an act relating to education; adding a nonvoting member to the higher education coordinating board to represent post-secondary faculty; creating a faculty advisory council to advise the higher education coordinating board; amending Minnesota Statutes 1984, section 136A.02, by adding a subdivision; amending Minnesota Statutes 1985 Supplement, section 136A.02, subdivision 1.

The bill was read for the first time and referred to the Committee on Education.

Miller, McDonald, Fjoslien and Thiede introduced:

H. F. No. 2168, A bill for an act relating to state government; changing certain procedures related to the state archaeologist and archaeological sites; amending Minnesota Statutes 1984, sections 138.35, subdivision 1; and 138.40, subdivision 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Minne, Thiede, Marsh, Blatz and Otis introduced:

H. F. No. 2169, A bill for an act relating to state lands; providing for a procedure to sell state leased lands; providing for maximum lease rates; proposing coding for new law in Minnesota Statutes, chapter 92.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

McPherson, Levi, Rose and Neuenschwander introduced:

H. F. No. 2170, A bill for an act relating to wild animals; authorizing the captive propagation and sale of raptors; amending Minnesota Statutes 1984, section 99.27, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Waltman; Uphus; Johnson; Olson, E., and Anderson, G., introduced:

H. F. No. 2171, A bill for an act relating to transportation; providing for reimbursement to towns for costs of reconstructing and maintaining town roads used as a major access to public outdoor recreational area under the jurisdiction of a county or the state; amending Minnesota Statutes 1984, sections 162.08, subdivision 1; 162.081, subdivision 4; and 164.155, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Redalen, Dyke, Frederickson, Boerboom and Miller introduced:

H. F. No. 2172, A bill for an act relating to taxation; property; removing the school district basic maintenance levy from agricultural land and buildings; reducing the agricultural school tax credit on certain property; providing a separate calculation of adjusted assessed value for the basic maintenance levy; changing the assessment ratio on certain agricultural homestead property; amending Minnesota Statutes 1984, sections 124.2131, subdivisions 1 and 2; 124A.02, subdivision 5, and by adding a subdivision; 124A.03, subdivision 1; 275.07, by adding a subdivision; and 275.28, subdivision 1; Minnesota Statutes 1985 Supplement, sections 124.2137, subdivision 1; 124A.02, subdivisions 7 and 8; 124A.03, subdivision 1a; 273.13, subdivision 23; repealing Minnesota Statutes 1984, section 124.2131, subdivision 4.

The bill was read for the first time and referred to the Committee on Taxes.

Valan introduced:

H. F. No. 2173, A bill for an act relating to natural resources; creating the state board of water and soil resources and providing for its administration and powers and duties; abolishing the state soil and water conservation board and the water resources board; amending the duties of the environmental quality board; amending Minnesota Statutes 1984, sections 40.01, subdivision 4; 40.035, subdivision 2; 105.73; 112.35, subdivision 4; 116C.03, subdivision 2; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; and 473.878, subdivisions

7 and 8; Minnesota Statutes 1985 Supplement, sections 40.03, subdivision 4; and 110B.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 110B; repealing Minnesota Statutes 1984, sections 40.03, subdivisions 1a, 2, and 3; 105.71; 116C.40, subdivision 3; Minnesota Statutes 1985 Supplement, sections 40.03, subdivision 1; and 116C.41, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Valan introduced:

H. F. No. 2174, A bill for an act relating to crimes; requiring mandatory minimum sentences when a firearm or dangerous weapon is used during the commission of certain controlled substance crimes; amending Minnesota Statutes 1984, section 609.11, subdivision 9.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

McPherson, Levi, Beard and Price introduced:

H. F. No. 2175, A bill for an act relating to real property; requiring that property taxes be paid before condominium plans may be recorded; amending Minnesota Statutes 1984, section 272.12.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Minne, Long, Bishop and Forsythe introduced:

H. F. No. 2176, A bill for an act relating to human rights; defining marital status discrimination to include actions against an individual because of the spouse's political status; amending Minnesota Statutes 1984, section 363.01, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

Krueger, Blatz, Price, Skoglund and Bishop introduced :

H. F. No. 2177, A bill for an act relating to nonprofit corporations; adoption services corporations; providing that pledges to make contributions to reimburse the corporation for expenses shall be voidable at the option of the person making the pledge and payment of expenses shall not be a prerequisite to providing adoption services; amending Minnesota Statutes 1984, section 317.65, subdivision 7.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Vanasek, Cohen, Greenfield and Clark introduced :

H. F. No. 2178, A bill for an act relating to guardianships and conservatorships; establishing a standard for best interests of the ward or conservatee; requiring findings regarding best interests; amending Minnesota Statutes 1984, sections 525.539, by adding a subdivision; 525.544; 525.551, subdivision 5; and 525.61.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Clark introduced :

H. F. No. 2179, A bill for an act relating to Indian land claims; establishing a commission to investigate and resolve land claim disputes on state-held land located within the White Earth Indian Reservation.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Marsh and Redalen introduced :

H. F. No. 2180, A bill for an act relating to education; establishing a master teacher position for industrial arts education in department of education; proposing coding for new law in Minnesota Statutes, chapter 121.

The bill was read for the first time and referred to the Committee on Education.

Bishop, Halberg, Forsythe, Vanasek and Long introduced :

H. F. No. 2181, A bill for an act relating to probate; providing for the exclusion of the homestead from the augmented estate; providing for the inclusion of certain insurance and other items in the augmented estate; amending Minnesota Statutes 1985 Supplement, section 524.2-202.

The bill was read for the first time and referred to the Committee on Judiciary.

Gruenes introduced :

H. F. No. 2182, A bill for an act relating to human services; excluding certain programs from licensing requirements; amending Minnesota Statutes 1984, section 245.791.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Heap introduced :

H. F. No. 2183, A bill for an act relating to labor; creating the labor interpretative center; establishing an advisory council governing policies and program purposes; appropriating money.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Clark introduced :

H. F. No. 2184, A bill for an act relating to employment; requiring training of employees who may be exposed to infectious agents; amending Minnesota Statutes 1985 Supplement, section 182.653, subdivision 4f.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sviggum and Piepho introduced:

H. F. No. 2185, A bill for an act relating to state government; providing for the use, administration, or disposal of certain fees and property within the jurisdiction of the commissioner of administration; amending Minnesota Statutes 1985 Supplement, sections 16B.29; 16B.42, subdivision 4; and 16B.48, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Clark, Boo and Greenfield introduced:

H. F. No. 2186, A bill for an act relating to human services; reducing state aid for general assistance to counties which fail to provide literacy training; requiring certain recipients of general assistance to attend adult literacy training; amending Minnesota Statutes 1985 Supplement, sections 256D.03, subdivision 2; and 256D.05, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Frerichs, Gutknecht and Bishop introduced:

H. F. No. 2187, A bill for an act relating to Olmsted county; increasing the amount the county board may appropriate annually for use as a contingent fund; amending Laws 1965, chapter 433, section 1, as amended.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Becklin and Jennings, L., introduced:

H. F. No. 2188, A bill for an act relating to local government; permitting the establishment of special service districts in the cities of Cambridge and Lindstrom; providing taxing and other powers to the cities of Cambridge and Lindstrom.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Sarna, O'Connor, Begich, Ogren and Carlson, D., introduced:

H. F. No. 2189, A bill for an act relating to local government; requiring reimbursement to the state for certain uses of the national guard; providing an assessment procedure; proposing coding for new law in Minnesota Statutes, chapter 192.

The bill was read for the first time and referred to the Committee on Transportation.

Valan introduced:

H. F. No. 2190, A bill for an act relating to the family farm security program; authorizing the issuance of general obligation bonds to finance certain payments to be made by the state on family farm loan guarantees; appropriating money; amending Minnesota Statutes 1984, sections 41.51; and 41.56, subdivision 4b; Minnesota Statutes 1985 Supplement, section 41.61; and proposing coding for new law in Minnesota Statutes, chapter 41.

The bill was read for the first time and referred to the Committee on Appropriations.

McEachern introduced:

H. F. No. 2191, A bill for an act relating to the city of Becker; authorizing a development fund; authorizing the creation of a board or agency to administer it.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Valan, Erickson, McEachern and Welle introduced:

H. F. No. 2192, A bill for an act relating to education; authorizing school districts to form education districts; providing for additional aid and levy for education districts; authorizing intermediate districts to use levies for education district purposes; authorizing grants to exemplary education districts; appropriating money; amending Minnesota Statutes 1984, sections 124.272, subdivisions 1, 2, 4, and by adding a subdivision; 136D.27; 136D.74, subdivision 2; 136D.87; Minnesota Statutes 1985 Supplement, sections 124.272, subdivision 3; and 275.125, subdivision 8a; proposing coding for new law in Minnesota Statutes, chapter 123.

The bill was read for the first time and referred to the Committee on Education.

Gruenes, Haukoos, McEachern and Piepho introduced :

H. F. No. 2193, A bill for an act relating to education; clarifying that private proprietary schools may provide certain placement information; modifying the expiration time for solicitor's permits; amending Minnesota Statutes 1984, section 141.26, subdivision 1; Minnesota Statutes 1985 Supplement, section 141.25, subdivision 10.

The bill was read for the first time and referred to the Committee on Education.

Carlson, D.; Ogren; Boo and Murphy introduced :

H. F. No. 2194, A bill for an act relating to education; establishing a task force to study the feasibility of a community college on the Fond du Lac reservation; appropriating money.

The bill was read for the first time and referred to the Committee on Education.

Olson, E., introduced :

H. F. No. 2195, A bill for an act relating to the city of McIntosh; authorizing the city to issue bonds in excess of its net debt limitations.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Dimler introduced :

H. F. No. 2196, A bill for an act relating to agriculture; requiring adoption of certain rules; authorizing certain agreements; amending Minnesota Statutes 1985 Supplement, sections 27.03, subdivision 2; and 223A.01, subdivision 2.

The bill was read for the first time and referred to the Committee on Agriculture.

Clausnitzer introduced:

H. F. No. 2197, A bill for an act relating to the family; requiring a parent to provide health and dental insurance as support for a minor child; amending Minnesota Statutes 1984, section 518C.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1984, section 518.551, subdivision 8.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Shaver and Heap introduced:

H. F. No. 2198, A bill for an act relating to retirement; authorizing the purchase of allowable service credit by a certain member of the public employees retirement association.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Levi; McEachern; Olsen, S., and Thiede introduced:

H. F. No. 2199, A bill for an act relating to education; changing the petition requirements for certain petitions requiring referendum levy revocation elections; amending Minnesota Statutes 1984, section 124A.03, subdivision 2.

The bill was read for the first time and referred to the Committee on Education.

Brinkman introduced:

H. F. No. 2200, A bill for an act relating to state lands; authorizing sale of Pearl Lake lakeshore parcel in Stearns county.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Haukoos; Frerichs; Wynia; Carlson, L., and McPherson introduced:

H. F. No. 2201, A bill for an act relating to education; vocational; allowing aid anticipation borrowing for AVTI's; clarifying AVTI school days; requiring state director approval of capital improvements; allowing payment of teacher retirement and FICA contributions from fiscal year 1987; amending Minnesota Statutes 1984, sections 136C.07, by adding a subdivision; and 136C.35; and Laws 1985, First Special Session chapter 15, section 23, subdivision 2.

The bill was read for the first time and referred to the Committee on Education.

McPherson, Levi, Beard and Price introduced:

H. F. No. 2202, A bill for an act relating to Washington county; permitting the negotiated sale of certain property.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Welle and Voss introduced:

H. F. No. 2203, A bill for an act relating to education; vocational; removing licensure requirements for post-secondary AVTI teachers, supervisors, and administrators; amending Minnesota Statutes 1984, section 125.03, subdivision 1; 125.12, subdivisions 6a and 6b; 125.17, subdivision 11; 136C.05, subdivision 1; Minnesota Statutes 1985 Supplement, section 125.185, subdivision 4; repealing Minnesota Statutes 1984, section 121.11, subdivision 15; Minnesota Statutes 1985 Supplement, sections 125.031; and 136C.04, subdivision 9.

The bill was read for the first time and referred to the Committee on Education.

Welle introduced:

H. F. No. 2204, A bill for an act relating to education; vocational; requiring the state board of vocational technical education to adopt provisional licensing rules; amending Minnesota Statutes 1985 Supplement, sections 125.05, subdivision 6; and 136C.04, subdivision 9.

The bill was read for the first time and referred to the Committee on Education.

Wenzel, Ellingson, Begich, Omann and McDonald introduced:

H. F. No. 2205, A bill for an act relating to traffic regulations; modifying restrictions on loading of vehicles driven on highways; amending Minnesota Statutes 1984, section 169.81, subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Quinn, Schreiber, Pauly, Welle and Lieder introduced:

H. F. No. 2206, A bill for an act relating to taxation; sales; clarifying the application of the exemption for certain fundraising activities to certain school organizations; amending Minnesota Statutes 1985 Supplement, section 297A.256.

The bill was read for the first time and referred to the Committee on Taxes.

Rees, McDonald, Schafer and Frerichs introduced:

H. F. No. 2207, A bill for an act relating to intoxicating liquor; requiring municipal on-sale liquor stores to give equal sales emphasis to nonalcoholic beverages; proposing coding for new law in Minnesota Statutes, chapter 340A.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Redalen and Uphus introduced:

H. F. No. 2208, A bill for an act relating to agriculture; making changes related to agricultural credit and agricultural collateral; changing priority of security interests related to agricultural products; amending Minnesota Statutes 1984, sections 336.9-307; 336.9-312; 336.9-315; 336.9-402; and 336.9-403; proposing coding for new law in Minnesota Statutes, chapter 514.

The bill was read for the first time and referred to the Committee on Agriculture.

Redalen introduced:

H. F. No. 2209, A bill for an act relating to agriculture; establishing a windbreak management program; exempting certain windbreaks from property taxes; providing a state-paid windbreak credit; appropriating money; amending Minnesota Statutes 1985 Supplement, section 272.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 40 and 273.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Kvam introduced:

H. F. No. 2210, A bill for an act relating to taxation; providing for reduction of the original assessed value of a tax increment financing district in the city of Litchfield.

The bill was read for the first time and referred to the Committee on Taxes.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1636.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1636, A bill for an act relating to agriculture; providing for mediation before debt collection practices are initiated against agricultural property; establishing a farm mediation commission and prescribing powers and duties; establishing farm mediation boards; prescribing mediation notices and certain conditions before debt collection is started; providing for voluntary mediation; prescribing procedures for mandatory mediation; authorizing postponement orders and requiring farm financial plans under certain conditions; classifying certain data; authorizing closed meetings; authorizing rules; providing for appeals;

appropriating money; amending Minnesota Statutes 1984, section 336.9-501; proposing coding for new law in Minnesota Statutes, chapters 550; 559; 581; and 583.

The bill was read for the first time and referred to the Committee on Agriculture.

CONSENT CALENDAR

H. F. No. 1794, A bill for an act relating to human services; extending the deadline for permanent rules for nursing home reimbursement under the medical assistance program; amending Minnesota Statutes 1984, sections 144.072, subdivision 2; and 256B.431, subdivision 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Backlund	Forsythe	Levi	Ozment	Skoglund
Battaglia	Frederick	Lieder	Pauly	Solberg
Beard	Frederickson	Long	Peterson	Stanius
Becklin	Frerichs	Marsh	Piepho	Sviggum
Begich	Greenfield	McDonald	Piper	Thiede
Bennett	Gruenes	McEachern	Poppenhagen	Thorson
Bishop	Gutknecht	McKasy	Price	Tjornhom
Blatz	Halberg	McLaughlin	Quinn	Tomlinson
Boerboom	Hartinger	McPherson	Quist	Tompkins
Boo	Hartle	Metzen	Rees	Tunheim
Brandl	Haukoos	Miller	Rest	Valan
Brinkman	Heap	Minne	Rice	Valento
Brown	Himle	Munger	Richter	Vanasek
Burger	Jacobs	Murphy	Riveness	Vellenga
Carlson, D.	Jennings, L.	Nelson, D.	Rodosovich	Voss
Carlson, J.	Johnson	Nelson, K.	Rose	Waltman
Carlson, L.	Kahn	Neuenschwander	Sarna	Welle
Clark	Kalis	Norton	Schafer	Wenzel
Dempsey	Kelly	Ogren	Schoenfeld	Wynia
Dimler	Kiffmeyer	Olsen, S.	Seaberg	Zaifke
Dyke	Knickerbocker	Olson, E.	Segal	Spk. Jennings, D.
Elioff	Knuth	Omann	Shaver	
Erickson	Kostohryz	Osthoff	Sherman	
Fjoslien	Krueger	Otis	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1882, A bill for an act relating to gasoline; changing the definition of agricultural alcohol gasoline; changing the identification marking on gasoline-alcohol blends; amending Minnesota Statutes 1985 Supplement, sections 296.01, subdivision 24; and 296.22, subdivision 13.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kostohryz	Otis	Shaver
Backlund	Fjoslien	Krueger	Ozment	Sherman
Battaglia	Forsythe	Levi	Pappas	Simoneau
Beard	Frederick	Lieder	Pauly	Skoglund
Becklin	Frederickson	Long	Peterson	Solberg
Begich	Frerichs	Marsh	Piepho	Stanius
Bennett	Greenfield	McDonald	Piper	Sviggun
Bishop	Gruenes	McKasy	Poppenhagen	Thiede
Blatz	Gutknecht	McLaughlin	Price	Thorson
Boerboom	Halberg	McPherson	Quinn	Tjornhom
Boo	Hartinger	Miller	Quist	Tomlinson
Brinkman	Hartle	Minne	Redalen	Tompkins
Brown	Haukoos	Munger	Rees	Tunheim
Burger	Heap	Murphy	Rest	Valan
Carlson, D.	Himle	Nelson, D.	Rice	Valento
Carlson, L.	Jacobs	Nelson, K.	Richter	Vanasek
Clark	Jennings, L.	Neuenschwander	Riveness	Vellenga
Clausnitzer	Johnson	Norton	Rodosovich	Voss
Dempsey	Kahn	Ogren	Rose	Waltman
DenOuden	Kalis	Olsen, S.	Schafer	Welle
Dimler	Kelly	Olsen, E.	Scheid	Wenzel
Dyke	Kiffmeyer	Omann	Schoenfeld	Wynia
Elioff	Knickerbocker	Onnen	Seaberg	Zaffke
Ellingson	Knuth	Osthoff	Segal	Spk. Jennings, D.

Those who voted in the negative were:

McEachern Sarna

The bill was passed and its title agreed to.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Jennings in the Chair for consideration of bills pending on General Orders of the day. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following recommendations of the Committee were reported to the House:

H. F. Nos. 1664 and 1844 were recommended to pass.

H. F. Nos. 1224, 1841, 1910 and 1930 were recommended for progress.

H. F. No. 1185 which it recommended to pass with the following amendment offered by Jacobs:

Page 1, lines 14 and 19 after "city" insert "or town"

On the motion of Levi the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Bishop moved to amend H. F. No. 1844, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 609.035, is amended to read:

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Except as provided in section 609.251 (AND), 609.585, and sections 2, 3, and 4, if a person's conduct constitutes more than one offense under the laws of this state, he 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. 2. Minnesota Statutes 1984, section 609.21, is amended by adding a subdivision to read:

Subd. 3. [RESULTING IN MISCARRIAGE OR STILLBIRTH.] Whoever injures a pregnant woman as a result of operating a vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(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;*
or

(3) *in a negligent manner while having an alcohol concentration of 0.10 or more, causing her to suffer a miscarriage or stillbirth, as defined in section 4, is guilty of criminal vehicular operation resulting in miscarriage or stillbirth and may be sen-*

tenced 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.

Sec. 3. Minnesota Statutes 1984, section 609.21, is amended by adding a subdivision to read:

Subd. 4. [RESULTING IN INJURY TO THE FETUS.] Whoever injures a pregnant woman as a result of operating a vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(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; or

(3) in a negligent manner while having an alcohol concentration of 0.10 or more, causing injury to the fetus, as defined in section 4, which is subsequently born alive is guilty of criminal vehicular operation resulting in injury to a fetus 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. 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.

Sec. 4. [609.228] [INJURY TO PREGNANT WOMAN.]

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

(b) "Miscarriage" means the interruption of the normal development of the fetus, other than by a live birth or an induced abortion, resulting in the complete expulsion or extraction from a pregnant woman of a product of human conception.

(c) "Stillbirth" means the death of a fetus that occurs before complete expulsion or extraction from its mother, irrespective of the duration of pregnancy and that is not an induced abortion. Death is manifested by the fact that after the expulsion or extraction the fetus does not breathe spontaneously or show any other evidence of life such as heartbeat, pulsation of the umbilical cord, or definite movement of voluntary muscles.

(d) "Injury to the fetus" means either great bodily harm or substantial bodily harm, as those terms are defined in section 609.02.

Subd. 2. [MISCARRIAGE OR STILLBIRTH.] Whoever injures a pregnant woman in the commission of a felony or in a violation of section 609.224, 609.23, or 609.231, causing her to suffer a miscarriage or stillbirth as a result of that injury is guilty of a felony 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; except that, for purposes of this subdivision, the term "felony" does not include a violation of section 609.21.

Subd. 3. [INJURY TO THE FETUS.] Whoever injures a pregnant woman in the commission of a felony or in a violation of section 609.224, 609.23, or 609.231, causing injury to the fetus which is subsequently born alive 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; except that, for purposes of this subdivision, the term "felony" does not include a violation of section 609.21.

Subd. 4. [OTHER CONVICTIONS NOT BARRED.] Notwithstanding section 609.04, a prosecution for or conviction of a crime under this section 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. [EXCEPTION.] This section does not apply to any act described in section 145.412, nor to any pregnant woman who causes injury to herself.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1986, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; making it a felony to assault or injure a pregnant woman; expanding the crime of criminal vehicular operation; imposing penalties; amending Minnesota Statutes 1984, sections 609.035; and 609.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 609."

The question was taken on the Bishop amendment and the roll was called. There were 32 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Bishop	Jennings, L.	Munger	Piper	Skoglund
Brandl	Kahn	Nelson, D.	Price	Tomlinson
Carlson, L.	Knuth	Nelson, K.	Rest	Vellenga
Clark	Levi	Norton	Riveness	Wynia
Cohen	Long	Osthoff	Segal	
Frerichs	McLaughlin	Otis	Shaver	
Greenfield	Minne	Pappas	Simoneau	

Those who voted in the negative were:

Anderson, G.	Dyke	Knickerbocker	Ozment	Solberg
Backlund	Elioff	Kostohryz	Pauly	Stanius
Battaglia	Ellingson	Krueger	Peterson	Sviggum
Beard	Erickson	Kvam	Piepho	Thiede
Becklin	Fjoslien	Lieder	Poppenhagen	Thorson
Begich	Forsythe	Marsh	Quinn	Tjornhom
Bennett	Frederick	McDonald	Quist	Tompkins
Blatz	Frederickson	McEachern	Redalen	Tunheim
Boerboom	Gruenes	McKasy	Rees	Uphus
Boo	Gutknecht	McPherson	Rice	Valan
Brinkman	Hartinger	Metzen	Richter	Valento
Brown	Hartle	Miller	Rodosovich	Vanasek
Burger	Haukoos	Murphy	Sarna	Voss
Carlson, D.	Heap	Neuenschwander	Schafer	Waltman
Carlson, J.	Jacobs	Ogren	Scheid	Welle
Clausnitzer	Johnson	Olsen, S.	Schoenfeld	Wenzel
Dempsey	Kalis	Olson, E.	Schreiber	Zaffke
DenOuden	Kelly	Omman	Seaberg	Spk. Jennings, D.
Dimler	Kiffmeyer	Onnen	Sherman	

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

The question was taken on the motion to recommend passage of H. F. No. 1844 and the roll was called. There were 107 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Backlund	Elioff	Knuth	Ozment	Solberg
Battaglia	Ellingson	Kostohryz	Pauly	Stanius
Beard	Erickson	Krueger	Peterson	Sviggum
Becklin	Fjoslien	Kvam	Piepho	Thiede
Begich	Forsythe	Levi	Price	Thorson
Bennett	Frederick	Lieder	Quinn	Tjornhom
Bishop	Frederickson	Marsh	Quist	Tompkins
Blatz	Frerichs	McDonald	Redalen	Tunheim
Boerboom	Gruenes	McEachern	Rees	Uphus
Boo	Gutknecht	McKasy	Rest	Valan
Brandl	Halberg	McPherson	Rice	Valento
Brinkman	Hartinger	Metzen	Richter	Vanasek
Brown	Hartle	Miller	Rodosovich	Vellenga
Burger	Haukoos	Minne	Rose	Voss
Carlson, D.	Heap	Murphy	Sarna	Waltman
Carlson, J.	Himle	Neuenschwander	Schafer	Welle
Carlson, L.	Jacobs	Ogren	Scheid	Wenzel
Clausnitzer	Jennings, L.	Olsen, S.	Schoenfeld	Zaffke
Dempsey	Johnson	Olson, E.	Schreiber	Spk. Jennings, D.
DenOuden	Kalis	Omman	Seaberg	
Dimler	Kiffmeyer	Onnen	Shaver	
Dyke	Knickerbocker	Osthoff	Sherman	

Those who voted in the negative were:

Anderson, G.	Kahn	Norton	Piper	Skoglund
Clark	Long	Otis	Riveness	Tomlinson
Cohen	McLaughlin	Pappas	Simoneau	Wynia
Greenfield				

The motion prevailed.

POINT OF ORDER

Vanasek raised a point of order pursuant to sections 400 and 404 of "Mason's Manual of Legislative Procedure" relating to the form of amendments and the amendment of bills by committees. The Speaker ruled the point of order not well taken.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 628:

Rose, Redalen, Waltman, Neuenschwander and Jennings, L.

MOTIONS AND RESOLUTIONS

Piepho moved that the name of Peterson be added as an author on H. F. No. 1733. The motion prevailed.

Tompkins moved that the names of McEachern, Becklin and Hartle be added as authors on H. F. No. 1760. The motion prevailed.

Uphus moved that the name of Frederick be added as an author on H. F. No. 1803. The motion prevailed.

Becklin moved that the name of Valento be stricken and the name of Rees be added as an author on H. F. No. 1894. The motion prevailed.

Clark moved that the names of Dimler and Piepho be added as authors on H. F. No. 1914. The motion prevailed.

Pappas moved that the name of Pauly be added as an author on H. F. No. 1921. The motion prevailed.

Marsh moved that the names of McLaughlin and Piepho be added as authors on H. F. No. 1984. The motion prevailed.

Bennett moved that the name of Begich be added as an author on H. F. No. 2038. The motion prevailed.

Fjoslien moved that the name of Bennett be added as an author on H. F. No. 2097. The motion prevailed.

Sviggum moved that the name of Ozment be shown as chief author and the name of Sviggum be shown as third author on H. F. No. 2099. The motion prevailed.

Tompkins moved that H. F. No. 2039 be recalled from the Committee on Commerce and Economic Development and be re-referred to the Committee on Local and Urban Affairs. The motion prevailed.

Vanasek moved that H. F. No. 1939 be recalled from the Committee on Transportation and be re-referred to the Committee on Education. The motion prevailed.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, February 19, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, February 19, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SEVENTY-SECOND DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, FEBRUARY 19, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Pastor Dale Erickson, New Brighton Christian Church, New Brighton, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Ellingson	Krueger	Otis	Sherman
Anderson, R.	Erickson	Kvam	Ozment	Simoneau
Backlund	Fjoslien	Levi	Pappas	Skoglund
Battaglia	Forsythe	Lieder	Pauly	Sparby
Beard	Frederick	Long	Peterson	Stanius
Becklin	Frederickson	Marsh	Piepho	Staten
Begich	Frerichs	McDonald	Piper	Sviggum
Bennett	Greenfield	McEachern	Poppenhagen	Thicde
Bishop	Gruenes	McKasy	Price	Thorson
Blatz	Gutknecht	McLaughlin	Quinn	Tjornhom
Boerboom	Halberg	McPherson	Quist	Tomlinson
Boo	Hartinger	Metzen	Redalen	Tompkins
Brandl	Hartle	Miller	Rees	Tunheim
Brinkman	Haukoos	Minne	Rest	Uphus
Brown	Heap	Munger	Rice	Valan
Burger	Himle	Murphy	Richter	Valento
Carlson, D.	Jacobs	Nelson, D.	Riveness	Vanasek
Carlson, J.	Jaros	Nelson, K.	Rodosovich	Vellenga
Carlson, L.	Jennings, L.	Neuenschwander	Rose	Voss
Clark	Johnson	Norton	Sarna	Waltman
Clausnitzer	Kahn	O'Connor	Schafer	Welle
Cohen	Kalis	Ogren	Scheid	Wenzel
Dempsey	Kelly	Olsen, S.	Schoenfeld	Wynia
DenOuden	Kiffmeyer	Olson, E.	Schreiber	Zaffke
Dimler	Knickerbocker	Omann	Seaberg	Spk. Jennings, D.
Dyke	Knuth	Onnen	Segal	
Elioff	Kostohryz	Osthoff	Shaver	

A quorum was present.

Solberg was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1757, 1772, 1800, 1815, 1885, 1928, 1016, 1568, 1807, 1824, 1851, 1926, 1962, 1991, 2014 and 1185 and S. F. No. 1636 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1635, A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1984, section 500.20, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 1730, A bill for an act relating to crime; correcting certain erroneous, omitted and obsolete references in and to the criminal sexual conduct statutes; amending Minnesota Statutes 1984, sections 253B.02, subdivision 4a; 260.015, subdivision 24; 494.03; 518B.01, subdivision 2; 609.11, subdivision 9; 609.341, subdivision 3; 609.347, subdivision 3; 609.348; 609.349; 609.35; 611A.03, subdivision 3; and 628.26; and Minnesota Statutes 1985 Supplement, sections 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2 and 3; 609.3471; 609.531, subdivision 1; 626.556, subdivision 2; and 631.045.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1762, A resolution relating to education; memorializing the President and Congress of the United States to take

action to officially commend those who have assisted the educational process of this country by operating the country's school buses.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1796, A bill for an act relating to agriculture; providing a method for the division of crops on land subject to foreclosure or execution; proposing coding for new law in Minnesota Statutes, chapter 561.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [557.10] [OWNERSHIP OF CROPS.]

Planted and growing crops are personal property of the person or entity that has the property right to plant the crops.

Sec. 2. [557.11] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this section and section 3.

Subd. 2. [PLANTING CROP OWNER.] "Planting crop owner" means the person or entity that has a property right to plant crops, including a leasehold interest, the interest of a contract for deed vendee, and the redemption interest of a foreclosed mortgagor.

Subd. 3. [CROP VALUE.] "Crop value" means the value of the crop and crop inputs, including the real property fair market rental value, up to the time the planting crop owner's property right to harvest the crop is terminated.

Sec. 3. [557.12] [HARVESTING CROPS AFTER TERMINATION OF PROPERTY INTERESTS.]

Subdivision 1. [TERMINATION OF PROPERTY INTEREST AFTER CROPS ARE PLANTED.] If the planting crop owner's property right to harvest crops is involuntarily terminated before the crops are harvested, the person or entity with the property right to harvest the crops is liable to the planting crop owner for the crop value.

Subd. 2. [PLANTING CROP OWNER'S LIEN.] A planting crop owner has a lien for the crop value that attaches to the crop, crop products, and if the lien is not satisfied under subdivision 3 a lien for the crop value that attaches to the real property where the crop was planted.

Subd. 3. [SATISFACTION OF CROP OWNER'S LIEN.] (a) A person with the right to harvest a crop that is subject to a planting crop owner's lien may satisfy the lien by:

(1) compensating the planting crop owner for the crop value; or

(2) allowing the planting crop owner to enter the property to grow and harvest the crops, and charging the planting crop owner the fair market rental value of the property where the crop was grown for the period when the planting crop owner's right to harvest the crops was terminated until the crops are harvested.

(b) If the person with the right to harvest the crop does not notify the planting crop owner within 30 days after termination of the planting crop owner's right to harvest the crops that the lien will be satisfied under paragraph (a), clause (2), the person with the right to harvest the crop must satisfy the lien under clause (1) unless otherwise agreed by the planting crop owner.

Subd. 4. [LIEN ON CROPS HARVESTED BY PLANTING CROP OWNER; PRIORITY.] If the person with the right to harvest the crop satisfies the planting crop owner's lien by allowing the planting crop owner to harvest the crops, the person with the right to harvest the crops has a lien for the fair market rental value of the property where the crop was grown that attaches to the crops and crop products. The perfected lien has priority over all other liens and security interests in the crop and crop products.

Subd. 5. [FILING AND ENFORCEMENT OF LIENS.] (a) A planting crop owner's lien under subdivision 2 and a lien for the fair market rental value where the crop was grown under subdivision 4 are perfected against the crop and crop products by attaching and filing a financing statement covering the crop and crop products as provided under sections 336.9-401 to 336.9-410 by 90 days after the planting crop owner's right to harvest the crop is terminated. The financing statement must include a statement indicating whether it is a planting crop owner's lien or a lien for a crop harvested by a planting crop owner. A perfected lien may be enforced in the same manner as a security interest under sections 336.9-501 to 336.9-508.

(b) A lien against the real property under subdivision 2 must be recorded and foreclosed in the same manner as a mechanics' lien under sections 514.08 to 514.15 if the planting crop owner

was a contractor. For purposes of this paragraph, the lien statement must be filed and served under section 514.08, subdivision 1, by 120 days after the crop was harvested, or if the crop was not harvested, by 12 months after the crop was planted.

Sec. 4. [REPEALER.]

Minnesota Statutes 1984, sections 561.11; 561.12; 561.13; 561.14; 561.15; and 561.16, are repealed.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; declaring crop ownership; prescribing a procedure for planting crop owners to recover crop values; providing liens on crops and property; prescribing satisfaction and enforcement of liens; proposing coding for new law in Minnesota Statutes, chapter 557; repealing Minnesota Statutes 1984, sections 561.11; 561.12; 561.13; 561.14; 561.15; and 561.16."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1810, A bill for an act relating to the city of Red Wing; directing the department of energy and economic development to refund a certain bond deposit; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [GOVERNMENTAL SUBDIVISIONS; BOND DEPOSIT REFUNDS.]

The department of energy and economic development shall refund to the following named governmental subdivisions the unrefunded application deposits received in calendar years 1984 and 1985 from those governmental subdivisions under Minnesota Statutes, section 474.19. \$186,233.33 is appropriated from the general fund to the department of energy and economic development to refund the industrial development bond allocation de-

posit to the governmental subdivisions in the amount specified for each governmental subdivision.

<i>Anoka county</i>	<i>\$62,900.00</i>
<i>City of Pipestone</i>	<i>\$ 3,333.33</i>
<i>City of Red Wing</i>	<i>\$60,000.00</i>
<i>City of Hastings</i>	<i>\$60,000.00</i>

Sec. 2. [CERTIFICATION.]

Before a refund of a deposit may be made to a governmental subdivision as provided in section 1, the governmental subdivision must certify by letter to the department of energy and economic development that the deposit was paid or reimbursed for payment with the respective governmental subdivision's money.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, delete "the city of Red Wing" and insert "local government"

Page 1, line 4, delete "a" and delete "deposit" and insert "deposits"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1819, A bill for an act relating to counties; making optional a county building commission law; amending Minnesota Statutes 1984, section 394.01.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1820, A bill for an act relating to local improvements; permitting counties to make certain improvements anywhere within their territory; amending Minnesota Statutes 1984, section 429.011, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 429.011, subdivision 5, is amended to read:

Subd. 5. “Improvement” means any type of improvement made under authority granted by section 429.021, and in the case of a county is limited to the construction, reconstruction, or improvement of a county state-aid highway or county highway including curbs and gutters and storm sewers (OUTSIDE OF THE BOUNDARIES OF ANY CITY).

Sec. 2. Minnesota Statutes 1985 Supplement, 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 under this section for property within the city unless the city council adopts a 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 he has requested in writing that the county auditor or county treasurer, as the case may be, include his 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 amount to be specially assessed against that particular lot, piece, or parcel of land, 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. 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."

Delete the title and insert:

"A bill for an act relating to local improvements; permitting counties to make certain improvements anywhere within their territory; amending Minnesota Statutes 1984, section 429.011, subdivision 5; Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1846, A bill for an act relating to agriculture; establishing filing requirements, enforcement, and priority of veterinarian's lien; amending Minnesota Statutes 1984, section 514.92.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 514.92, is amended to read:

514.92 [VETERINARIAN'S LIEN (; STATEMENT OF CLAIM; FORECLOSURE).]

Subdivision 1. [ATTACHMENT.] (EVERY DULY) A licensed (AND REGISTERED) veterinarian (SHALL HAVE A LIEN FOR ALL) *who performs emergency veterinary services (OVER) that cost more than \$25 (RENDERED UPON ANY ANIMAL OR) for animals at the request of the owner or (LAWFUL POSSESSOR OF SAME, INCLUDING BUT NOT LIMITED TO) a person in possession of the animals has a lien on the animals for the value of the services. Veterinary services include emergency surgical procedures, administering vaccines, antisera, (VIRUS,) and antibiotics, (OR) and other veterinary (TREATMENT, FROM THE DATE OF FILING THE LIEN. WITHIN 180 DAYS FROM THE DAY ON WHICH THE TREATMENT WAS COMPLETED, THE CLAIMANT OF THE LIEN SHALL FILE IN THE APPROPRIATE FILING OFFICE UNDER THE UNIFORM COMMERCIAL CODE, MINNESOTA STATUTES, SECTION 336.9-401, A VERIFIED LIEN STATEMENT SETTING FORTH THE KIND AND NUMBER OF ANIMALS TREATED, THE REASONABLE VALUE FOR THE TREATMENT OR SERVICES RENDERED, OR THE PRICE CONTRACTED BETWEEN THE PARTIES, THE NAME OF THE PERSON FOR WHOM THE TREATMENT WAS DONE, THE REASONABLE IDENTIFICATION OF THE ANIMAL OR GROUP OF ANIMALS TREATED, DATES WHEN THE TREATMENT WAS COMMENCED AND WAS COMPLETED, THE NAME OF THE OWNER, OR REPUTED OWNER, OF THE ANIMALS, THE NAME AND ADDRESS OF THE VETERINARIAN CLAIMING THE LIEN. WITHIN ONE YEAR AFTER THE DATE THE LAST SERVICE WAS RENDERED, BUT NOT THEREAFTER, THE LIEN CLAIMANT MAY FORECLOSE HIS LIEN IN THE MANNER PRESCRIBED FOR SECURITY INTERESTS UNDER ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE) medicines and treatments. Veterinary services also include services performed primarily to protect human health, prevent the spread of animal diseases, or to preserve the immediate health of an animal.*

Subd. 1a. [FILING AND PERFECTING LIEN.] The veterinarian must file a lien statement in the appropriate filing office for a financing statement covering the animals to be filed under section 336.9-401 by 180 days after the veterinary services are performed. The lien is perfected by properly filing the lien statement.

Subd. 2. [LIEN STATEMENT.] (MINNESOTA STATUTES, SECTION 514.74 SHALL APPLY TO ALL LIENS

CREATED UNDER SUBDIVISION 1.) (a) *A lien statement must be verified and state:*

- (1) *the name of the owner, or reputed owner, of the animals;*
- (2) *the name of the person for whom the veterinary services were performed;*
- (3) *the kind, number, and reasonable identification of animals treated;*
- (4) *the dates when the veterinary services were begun and finished;*
- (5) *the fraction of veterinary services performed which were primarily for the purpose of protecting human health, preventing the spread of animal diseases, or preserving the health of the animal or animals treated;*
- (6) *the reasonable value of the veterinary services rendered, or the price contracted between the parties; and*
- (7) *the name and address of the veterinarian claiming the lien.*

(b) *The provisions of section 514.74 relating to inaccuracies in lien statements apply to lien statements under this subdivision.*

Subd. 3. [ENFORCEMENT OF LIEN.] An action to enforce a perfected lien under this section must be started by one year after the date the last veterinary service was performed. A perfected lien may be enforced in the manner prescribed for security interests under section 336.9-501 to 336.9-508.

Subd. 4. [PRIORITY OF LIEN.] A perfected veterinarian's lien under this section has priority over other liens and security interests on the same animals to the extent the veterinary services were performed primarily for the purpose of protecting human health, preventing the spread of animal diseases, or preserving the health of the animal or animals treated. The priority of a perfected veterinarian lien under this section is only prior to a security interest perfected on or after the effective date of this act. The priority among veterinarian's liens filed under this section is according to the first lien filed.

Subd. 5. [TERMINATION.] (a) A veterinarian's lien under this section terminates after:

- (1) *180 days after the last veterinarian's services was performed if a proper lien statement is not filed; or*

(2) *one year after the lien is filed if an action to enforce the lien has not been started.*

(b) *A filing officer may remove and destroy terminated lien statements in the same manner as provided for a financing statement under section 336.9-410.*

Sec. 2. Minnesota Statutes 1985 Supplement, section 514.952, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF RESPONSE OR FAILURE TO RESPOND.] (a) If a lender responds with a letter of commitment for part or all of the amount in the lien-notification statement, the supplier may not obtain a lien for the amount stated in the letter of commitment.

(b) If a lender responds with a refusal to provide a letter of commitment (THE RIGHTS OF THE LENDER AND THE SUPPLIER ARE NOT AFFECTED) or fails to respond, the supplier has an agricultural production input lien on the crops or livestock for which the agricultural production input was purchased, and the lien has priority over all other liens except (1) liens filed more than 12 months prior to the date of the statement; (2) a perfected veterinary lien under the provisions of section 1; and (3) those of the state of Minnesota. No agreement to waive the lien's priority is valid.

Sec. 3. [REPEALER.]

Minnesota Statutes 1984, section 514.952, subdivision 6; and Minnesota Statutes 1985 Supplement, section 514.952, subdivision 5, are repealed.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing filing requirements, enforcement, and priority of veterinarian's lien; giving agricultural production input liens priority; amending Minnesota Statutes 1984, section 514.92; Minnesota Statutes 1985 Supplement, section 514.952, subdivision 4; repealing Minnesota Statutes 1984, section 514.952, subdivision 6; and Minnesota Statutes 1985 Supplement, section 514.952, subdivision 5."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Financial Institutions and Insurance.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1850, A bill for an act relating to intoxicating liquor; authorizing the city of Rochester to issue an on-sale license to a concessionaire at the Mayo civic auditorium.

Reported the same back with the following amendments:

Page 1, line 7, delete "AUDITORIUM" and insert "CENTER"

Page 1, line 11, delete "auditorium" and insert "center"

Page 1, line 13, delete "auditorium" and insert "center"

Page 1, after line 18, insert:

"Sec. 2. [REPEALER.]

Laws 1978, chapter 677, is repealed."

Page 1, line 20, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, delete "auditorium" and insert "center"

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1853, A bill for an act relating to public indebtedness; permitting home rule charter and statutory cities to incur debt for warning systems; amending Minnesota Statutes 1984, section 475.52, subdivision 1.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1860, A bill for an act relating to metropolitan government; permitting the metropolitan mosquito control commission to issue certificates of indebtedness; amending Minnesota Statutes 1984, section 473.711, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1869, A bill for an act relating to local government units; authorizing the privatization of facilities for the treatment of wastewater and the furnishing of water; amending Minnesota Statutes 1984, section 474.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 471A.

Reported the same back with the following amendments:

Page 11, line 10, after "*furnishing of*" insert "*potable*"

Page 12, line 10, after "*pollution*" insert "*through wastewater treatment facilities as defined by section 115.71, subdivision 8,*"

Page 12, line 10, after "*furnishing of*" insert "*potable*"

Page 12, line 13, after "*facilities*" insert "*, but does not include the furnishing of heating or cooling energy*"

Amend the title as follows:

Page 1, line 4, after "*furnishing of*" insert "*potable*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1874, A bill for an act relating to energy; providing renewable residential energy grants; appropriating money.

Reported the same back with the following amendments:

Page 1, line 15, delete "*energy and*" and insert "*revenue.*"

Page 1, delete line 16

Page 3, line 15, delete "*energy*" and insert "*revenue*"

Page 3, line 16, delete "*and economic development*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred :

H. F. No. 1886, A bill for an act relating to local government; changing the notice requirements for proposed special assessments; amending Minnesota Statutes 1984, section 429.061, subdivision 2; Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1.

Reported the same back with the following amendments :

Page 2, line 26, after "(LAND)" insert "*, the total amount of the proposed assessment*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred :

H. F. No. 1894, A bill for an act relating to environment; providing terms and conditions for the administration of wastewater treatment plant construction grants and loans; appropriating money; amending Minnesota Statutes 1984, sections 115.07, subdivision 1; 115A.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

Reported the same back with the following amendments :

Page 2, line 3, delete "*department of sanitary engineers*" and insert "*division of environmental engineering*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 1940, A bill for an act relating to health; providing for county registrars of vital statistics; amending Minnesota Statutes 1984, section 144.214, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1969, A bill for an act relating to mediation; providing for mediation between debtors and creditors; authorizing mediator training grants to nonprofit regional alternative dispute resolution centers; amending Minnesota Statutes 1984, sections 480.24, by adding a subdivision; and 480.242, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 572.

Reported the same back with the following amendments:

Page 4, line 27, delete "*court administrator*" and insert "*bureau of mediation services*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 1978, A bill for an act relating to crimes; limiting when felony charges brought for depriving another of custodial or parental rights may be dismissed; amending Minnesota Statutes 1984, section 609.26, subdivision 5.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 609.26, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] Whoever intentionally does any of the following acts may be charged with a felony and, upon conviction, may be sentenced as provided in subdivision 6:

(1) conceals a minor child from the child's parent where the action manifests an intent substantially to deprive that parent of parental rights or conceals a minor child from another person having the right to visitation or custody where the action manifests an intent to substantially deprive that person of rights to visitation or custody;

(2) takes, obtains, retains, or fails to return a minor child in violation of a court order which has transferred legal custody under chapter 260 to the commissioner of human services, a child placing agency, or the county welfare board;

(3) takes, obtains, retains, or fails to return a minor child from or to the parent *contrary to a court order*, where the action manifests an intent substantially to deprive that parent of rights to visitation or custody; or

(4) takes, obtains, retains, or fails to return a minor child from or to a parent after commencement of an action relating to child visitation or custody but prior to the issuance of an order determining custody or visitation rights, where the action manifests an intent substantially to deprive that parent of parental rights."

Renumber the remaining section

Page 1, line 12, strike "14" and insert "3"

Page 1, line 16, strike "14" and insert "3"

Amend the title as follows:

Page 1, line 5, before the period insert "; and Minnesota Statutes 1985 Supplement, section 609.26, subdivision 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1984, A bill for an act relating to commerce; regulating securities; regulating the assignment of certain real property loans and the administration of certain escrow accounts; providing certain exemptions; regulating real estate brokers and salespersons; modifying re-examination requirements; providing trust account requirements for licensees acting as principals; granting certain enforcement powers to the commissioner; providing certain remedies; amending Minnesota Statutes 1984, sections 47.20, subdivision 9; 80A.14, subdivision 18; 80A.15, sub-

division 1; 82.17, subdivision 4; 82.22, subdivisions 3, 6, and 13; 82.24, subdivision 2; 82.26; 82.27, subdivision 1; 82.33, subdivision 2; and Minnesota Statutes 1985 Supplement, section 80A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 47.

Reported the same back with the following amendments:

Page 2, line 16, delete "*permitted under the mortgage contract,*"

Page 2, line 18, delete "*may be*" and insert "*is*"

Page 2, line 19, delete "*if the following conditions are satisfied*"

Page 2, line 20, delete "*notifies*" and insert "*shall notify*"

Page 2, line 24, before the semicolon insert "*and the notification shall also include a detailed written financial breakdown, including but not limited to, interest rate, monthly payment amount, and current escrow balance*"

Page 2, line 25, delete "*issues*" and insert "*shall issue*"

Page 2, line 26, delete "*provides*" and insert "*shall provide*"

Page 2, line 30, delete "*. The purchasing*" and insert "*, and*"

Page 2, line 31, delete "*lender*" and delete "*also provide information to*" and insert "*inform*"

Page 2, line 32, after "*regarding*" insert "*the mortgage*"

Page 2, line 33, before the semicolon insert "*including, but not limited to, interest rate, monthly payment amount, and current escrow balance*"

Page 2, line 34, delete "*agrees to*" and insert "*shall*" and delete "*ten*" and insert "*15*"

Page 2, line 35, after "*to a*" insert "*written*"

Page 2, line 36, delete "*name and*"

Page 3, line 1, delete "*in*" and insert a period

Page 3, delete lines 2 to 4

Page 4, lines 9 to 11, reinstate the stricken language and delete the new language

Page 21, after line 25, insert:

"Sec. 14. Minnesota Statutes 1984, section 386.375, is amended to read:

386.375 [(ABSTRACT OF TITLE;) STORAGE (WITHIN MINNESOTA) OF ABSTRACTS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "lender" means all state banks and trust companies, national banking associations, state and federally chartered savings and loan associations, mortgage banks, mutual savings banks, insurance companies, credit unions making a loan, or any person making a conventional loan as defined under section 47.20, subdivision 2, clause (3) or cooperative apartment loan as defined under section 47.20, subdivision 2, clause (4). A "selling lender" is a lender who sells, assigns, or transfers a loan and/or the servicing of a loan to a "purchasing lender" or "servicing agent."

Subd. 2. [RESPONSIBILITY FOR STORAGE.] Any title company, lender or anyone other than the mortgagor or fee simple owner holding an abstract of title to Minnesota real estate shall (BE STORED WITHIN THE STATE OF MINNESOTA) transfer the abstract of title to the mortgagor or fee simple owner of the real estate to which the abstract pertains before August 1, 1986. After August 1, 1986, the abstract of title shall be provided to the mortgagor or fee simple owner at the time of closing. This section does not apply if the holder of the abstract of title is the mortgagor or fee simple owner of the real estate to which the abstract pertains.

Subd. 3. [PENALTIES.] If a title company or lender fails to comply with the requirements of subdivision 2, the mortgagor or fee simple owner has the right to have an abstract made at the expense of the lender or title company holding the abstract."

Amend the title as follows:

Page 1, line 10, after the second semicolon insert "requiring storage of abstracts of title within Minnesota;"

Page 1, line 15, after the semicolon insert "386.375;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operation to which was referred:

H. F. No. 2035, A bill for an act relating to retirement; police and firefighters' relief associations; standardizing audit-

ing requirements; clarifying various duties and responsibilities in the management of local associations; amending Minnesota Statutes 1984, sections 3.85, subdivision 6; 6.72, subdivision 2; 69.011, subdivision 2; 69.021, subdivisions 4 and 7; 69.051; 69.77; 69.773, subdivision 2; 69.775; 69.80; and 424A.001, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 69.011, subdivision 1; 69.031, subdivision 1; and 356.216; proposing coding for new law in Minnesota Statutes, chapters 6 and 423A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 3.85, subdivision 6, is amended to read:

Subd. 6. [ASSISTANCE OF OTHER AGENCIES.] The commission may request information from any state officer or agency or any public pension fund or plan as defined in section 356.61, including any volunteer firefighters' relief association to which sections 69.771 to 69.776 applies, in order to assist in carrying out the terms of this section and (SUCH) the officer (OR), agency, or public pension fund or plan, is authorized and directed to promptly furnish any data requested.

Sec. 2. [6.495] [EXAMINATION OF FIRE AND POLICE RELIEF ASSOCIATIONS.]

Subdivision 1. [AUDIT AND EXAMINATIONS.] All powers and duties conferred and imposed upon the state auditor with respect to state, county, and first-class city officers, institutions, and property are hereby extended to the various fire and police relief associations in the state. The state auditor shall annually audit the special and general funds of the relief association or, at the request of the board of trustees or the municipality, the state auditor may contract for an annual audit by a certified public accountant. The state auditor may determine that an annual audit is not necessary, in which case the state auditor shall develop a plan for examination of unaudited relief associations, and shall prescribe suitable systems of accounts and budgeting, and forms, books, and instructions concerning the same.

Copies of the written report of the state auditor on the financial condition and accounts of the relief association shall be filed with the board of trustees of the relief association and the governing body of the municipality associated with the relief association. If the report discloses malfeasance, misfeasance, or nonfeasance with regard to relief association funds, copies thereof shall be filed with the city attorney or county attorney in the city or county in which the relief association is located,

and these officials of the law shall institute proceedings, civil or criminal, as the law and public interest require.

Subd. 2. [COSTS AND FEES.] The relief association receiving the audit or examination shall pay to the state auditor's revolving fund the total costs and expenses of the audit or examination, including the salaries paid to the auditors while actually engaged in making the audit or examination.

Subd. 3. [REPORT TO COMMISSIONER OF REVENUE.] The state auditor shall file with the commissioner of revenue a financial compliance report certifying for each relief association:

(1) the completion of the annual financial report required pursuant to section 69.051 and the auditing or certification of those financial reports pursuant to subdivision 1; and

(2) the receipt of any actuarial valuations required pursuant to section 69.77 or 69.773.

Sec. 3. Minnesota Statutes 1984, section 6.72, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF REPORT.] The report shall include the aggregate totals for all volunteer firefighters' relief associations directly associated with the municipal fire departments and all volunteer firefighters' relief associations subsidiary to independent nonprofit firefighting corporations, the aggregate totals by the various benefit types and the individual results for each volunteer firefighters' relief association listed by various benefit types specified in subdivision 3. The following items shall be reported in each instance:

- (1) amount of accrued liability,
- (2) amount of assets,
- (3) amount of surplus or unfunded accrued liability,
- (4) funding ratio,
- (5) amount of annual accruing liability or normal cost,
- (6) amount of annual required contribution to amortize the unfunded accrued liability,
- (7) amount of total required contribution,
- (8) amount of fire state aid,

- (9) amount of any municipal contributions,
- (10) amount of administrative expenses,
- (11) amount of service pension disbursements,
- (12) amount of other retirement benefit disbursements,
- (13) number of active members,
- (14) number of retired members,
- (15) number of deferred members,
- (16) amount of fidelity bond of secretary and treasurer,
- (17) amount of *lump sum or monthly service pension accrued per year of service credit*,
- (18) minimum retirement age required for commencement of a service pension,
- (19) minimum years of active service credit required for commencement of service pension,
- (20) minimum years of active membership credit required for commencement of service pension,
- (21) type and amount of other retirement benefits.

Sec. 4. Minnesota Statutes 1985 Supplement, section 69.011, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, the following words and terms shall for the purposes of this chapter and chapters 423, 423A, 424 and 424A have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner of revenue.
- (b) "Municipality" means any home rule charter or statutory city, organized town or park district subject to chapter 398, and the University of Minnesota.
- (c) "Minnesota Firetown Premium Report" means a form prescribed by the commissioner containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums received upon risks located or to be performed in this state less return premiums and dividends.

(d) "Firetown" means the area serviced by any municipality having a qualified fire department or a qualified incorporated fire department having a subsidiary volunteer firefighters relief association.

(e) "Assessed property valuation" means latest available assessed value of all property in a taxing jurisdiction, whether the property is subject to taxation, or exempt from ad valorem taxation obtained from information which appears on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.

(f) "Minnesota Aid to Police Premium Report" means a form prescribed by the commissioner for reporting by each fire and casualty insurer of all premiums received upon direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for insuring against the perils contained in auto liability-bodily injury, auto liability-property damage, and auto physical damage as reported in the Minnesota business schedule of the fire and casualty insurance companies annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or regulations less return premiums and dividends.

(g) "Peace officer" means any person:

(1) whose primary source of income derived from wages is from direct employment by a municipality or county as a law enforcement officer on a full-time basis of not less than 30 hours per week;

(2) who has been employed for a minimum of six months prior to December 31 preceding the date of the current year's certification pursuant to subdivision 2, clause (b);

(3) who is sworn to enforce the general criminal laws of the state and local ordinances;

(4) who is licensed by the peace officers standards and training board and is authorized to arrest with a warrant; and

(5) who is a member of a local police relief association to which section 69.77 applies or the public employees police and fire fund.

(h) "Full-time equivalent number of peace officers providing contract service" means the integral or fractional number of peace officers which would be necessary to provide the contract service if all peace officers providing service were employed on a full-time basis as defined by the employing unit and the municipality receiving the contract service.

(i) "Retirement benefits other than a service pension" means any disbursement authorized pursuant to section (424.05) 424A.05, subdivision 3, clauses (2), (3) and (4).

(j) "Municipal clerk, municipal clerk-treasurer or county auditor" means the person who was elected or appointed to the specified position or, in the absence of the person, another person who is designated by the applicable governing body. In a park district the clerk is the secretary of the board of park district commissioners. In the case of the University of Minnesota, the clerk is that official designated by the board of regents.

Sec. 5. Minnesota Statutes 1984, section 69.011, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATION FOR FIRE OR POLICE STATE AID.] (a) In order to qualify to receive fire state aid, on or before (JUNE) *July 1*, annually, in conjunction with the financial report required pursuant to section 69.051 (, SUBDIVISION 1 OR 3), the clerk of each municipality having a duly organized fire department as provided in subdivision 4, or the secretary of each independent nonprofit firefighting corporation having a subsidiary incorporated firefighter's relief association whichever is applicable, and the secretary and the treasurer of the firefighter's relief association, shall jointly certify the existence of the municipal fire department or of the independent nonprofit firefighting corporation, whichever is applicable, which meets the minimum qualification requirements set forth in this subdivision, and the fire personnel and equipment of the municipal fire department or the independent nonprofit firefighting corporation as of the preceding December 31. Certification shall be made to the commissioner on a form prescribed by the commissioner and shall include any other facts the commissioner may require. The certification shall be made to the commissioner in duplicate. Each copy of the certificate shall be duly executed and deemed an original. The commissioner shall forward one copy to the auditor of the county wherein the fire department is located and retain one copy.

(b) On or before (JUNE) *July 1* annually the clerk of each municipality having a duly organized police department and having a duly incorporated relief association shall certify that fact to the county auditor of the county where the police department is located and to the commissioner on a form prescribed by him together with the other facts the commissioner or auditor may require.

On or before (JUNE) *July 1* annually, the clerk of each municipality and the auditor of each county employing one or more peace officers as defined in subdivision 1, clause (h), shall certify the number of such peace officers to the commissioner on forms prescribed by him. Credit for officers employed less than a full year shall be apportioned. Each full month of employment of

a qualifying officer during the calendar year shall entitle the employing municipality or county to credit for one-twelfth of the payment for employment of a peace officer for the entire year. For purposes of sections 69.011 to 69.051, employment of a peace officer shall commence when the peace officer is entered on the payroll of the respective municipal police department or county sheriff's department. No peace officer shall be included in the certification of the number of peace officers by more than one municipality or county for the same month.

Sec. 6. Minnesota Statutes 1984, section 69.021, subdivision 4, is amended to read:

Subd. 4. [DETERMINATION OF QUALIFIED STATE AID RECIPIENTS; CERTIFICATION TO COMMISSIONER OF FINANCE.] The commissioner shall determine which municipalities and independent nonprofit firefighting corporations are qualified to receive fire state aid and which municipalities and counties are qualified to receive police state aid. (ANY MUNICIPALITY, INDEPENDENT NONPROFIT FIREFIGHTING CORPORATION OR COUNTY WHICH RECEIVED STATE AID FOR THE YEAR IMMEDIATELY PREVIOUS SHALL BE PRESUMED TO BE QUALIFIED TO RECEIVE STATE AID FOR THE YEAR IN QUESTION. IF SUBSEQUENT EXAMINATION REVEALS THAT THE STATE AID RECIPIENT WAS NOT IN FACT QUALIFIED TO RECEIVE STATE AID FOR ANY YEAR, THE COMMISSIONER SHALL RETROACTIVELY DISQUALIFY THE RECIPIENT AND SHALL TAKE ANY NECESSARY STEPS TO RECOVER THE STATE AID PAYMENTS WHICH HAD BEEN MADE FOR THE YEARS OF DISQUALIFICATION, PLUS INTEREST AT A RATE EQUAL TO THE MAXIMUM LAWFUL INTEREST RATE FOR A STATE BANK PURSUANT TO SECTION 48.195, AS OF THE DATE OF DISQUALIFICATION, COMPOUNDED ANNUALLY FROM THE DATE ON WHICH THE STATE AID PAYMENT WAS MADE UNTIL THE DATE ON WHICH THE PAYMENT IS RECOVERED.) The (DETERMINATION OF QUALIFICATION BY THE) commissioner shall (BE BASED ON INFORMATION CONTAINED IN) *determine qualification upon receipt of (1) the fire department (,) personnel and equipment certification or the police department and qualified peace officers certificate, whichever is applicable, required pursuant to section 69.011, (2) the (ANNUAL) financial compliance report required pursuant to section (69.051) 2, (ANY ACTUARIAL VALUATION OR EXPERIENCE STUDY REPORT REQUIRED PURSUANT TO SECTIONS 69.77 OR 69.773, ANY AUDITS CONDUCTED BY THE STATE AUDITOR OR AN INDEPENDENT AUDITOR,) and (3) any other relevant information which comes to the attention of the commissioner. Upon completion of the determination, on or before (JUNE) September 1, the commissioner shall calculate pursuant to subdivision 6 the amount of fire state aid and police state aid which each county is to receive for subsequent appor-*

tionment pursuant to subdivision 7 and shall certify to the commissioner of finance the name of each county in which are located one or more qualified state aid recipients and the amount of state aid which each county is to receive for subsequent apportionment. The commissioner shall also certify to each county auditor the name of each qualified state aid recipient located in the county and any other information deemed necessary for the county auditor to make the subsequent apportionment of state aid.

Sec. 7. Minnesota Statutes 1984, section 69.021, subdivision 7, is amended to read:

Subd. 7. [APPORTIONMENT OF AID TO MUNICIPALITIES AND (FIREFIGHTER'S) RELIEF ASSOCIATIONS BY COUNTY AUDITOR.] (1) The county auditor shall apportion the state aid received by him relative to the premiums reported on the Minnesota Firetown Premium Reports filed pursuant to this chapter to each municipality and/or firefighter's relief association certified to him by the commissioner in the same manner that state aid is apportioned to the counties, one-half in proportion to the population and one-half in proportion to the assessed property valuation of the fire towns in the county for which aid is apportioned. Necessary adjustments shall be made to subsequent apportionments.

In the case of municipalities or independent fire departments qualifying for the aid the county auditor shall calculate the state aid for the municipality or relief association on the basis of the population and the property valuation of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with him. If one or more fire departments are furnishing contracted fire service to a city, town or township only the population and valuation of the area served by each fire department shall be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the assessed property valuation of each service area. Agreement shall be in writing and filed with the commissioner in duplicate. The commissioner shall forward one copy of the agreement to the county auditor of the county wherein the fire department is located and retain one copy.

(IN THE CASE OF CITIES OF THE FIRST AND SECOND CLASS THE STATE AID CALCULATED SHALL BE PAID DIRECTLY TO THE TREASURER OF THE RELIEF ASSOCIATION. IN THE CASE OF ALL OTHER MUNICIPALITIES AND INDEPENDENT FIRE DEPARTMENT RELIEF ASSOCIATIONS OR RETIREMENT PLANS) The aid shall be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall within 30 days transmit the aid to the relief association if the relief

association has filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.

The county auditor and commissioner are hereby empowered to make rules and regulations to permit the administration of the provisions of this section.

(2) The county auditor shall apportion the state police aid received by him to each municipality and to the county in the following manner:

(a) For all municipalities maintaining police departments and the county, the state aid shall be distributed by the county auditor in proportion to the total number of peace officers, as determined pursuant to section 69.011, subdivision 1, clause (g), and subdivision 2, clause (b), employed by each municipality and by the county for 12 calendar months and the proportional or fractional number who were employed less than 12 months;

(b) For each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full time equivalent number of peace officers providing contract service shall be credited against the municipality's contract obligation;

(c) For each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full time equivalent number of peace officers providing contract service on a full time equivalent basis shall be credited against the contract obligation of the municipality receiving contract service;

(d) No municipality entitled to receive police state aid shall be apportioned less police state aid for any year under Laws 1976, Chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of police state aid to other municipalities within the county and to the county shall be adjusted in proportion to the total number of peace officers in the municipalities and the county, so that the amount of police state aid apportioned shall not exceed the amount of police state aid available for apportionment.

The county auditor and commissioner are hereby empowered to make rules and regulations to permit the administration of the provisions of this section.

Sec. 8. Minnesota Statutes 1985 Supplement, section 69.031, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF FINANCE'S WARRANT.] The commissioner of finance shall issue to the auditor of each county certified to him by the commissioner his warrant for an amount equal to the amount certified to by the commissioner pursuant to section 69.021. The amount due to a county and not paid by September 1 accrues interest at the rate of one percent for each month or part of a month the amount remains unpaid, beginning the preceding (JUNE) *July* 1.

Sec. 9. Minnesota Statutes 1984, section 69.051, is amended to read:

69.051 [FINANCIAL REPORT, BOND, EXAMINATION.]

Subdivision 1. [FINANCIAL REPORT (OF ASSOCIATION) AND AUDIT.] The (SECRETARY AND THE TREASURER) *board* of each *salaried* firefighters (RELIEF ASSOCIATION OR) *and* police relief association *and of each volunteer firefighters' relief association with assets of at least \$200,000 or liabilities of at least \$200,000, according to the most recent actuarial valuation or financial report if no valuation is required,* shall (, IN CONJUNCTION WITH THE FIRE DEPARTMENT PERSONNEL AND EQUIPMENT CERTIFICATE REQUIRED PURSUANT TO SECTION 69.011, SUBDIVISION 2, CLAUSE (A), OR THE POLICE DEPARTMENT AND QUALIFIED PEACE OFFICERS CERTIFICATE REQUIRED PURSUANT TO SECTION 69.011, SUBDIVISION 2, CLAUSE (B), WHICHEVER IS APPLICABLE, ANNUALLY):

(a) Prepare (AND SIGN JOINTLY) a (DETAILED) financial report (OF THE RECEIPTS OF, DISBURSEMENTS FROM AND BALANCES IN) *covering* the special and general funds of the relief association for the preceding (CALENDAR) *fiscal* year (ENDING DECEMBER 31,) on a form prescribed by the (COMMISSIONER) *state auditor*. The financial report shall contain (ANY INFORMATION) *financial statements and disclosures* which (THE COMMISSIONER DEEMS NECESSARY TO REVEAL) *present* the true financial condition of the relief association and the *results of relief association operations in conformity with generally accepted accounting principles and in compliance* (OF THE RELIEF ASSOCIATION) with the regulatory, financing and funding provisions of this chapter and any other applicable laws. The financial report shall be countersigned by the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is a firefighters relief association which is directly associated with a municipal fire department or is a police relief association, or countersigned by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of

an independent nonprofit firefighting corporation (. THE FINANCIAL REPORT SHALL BE FILED BY THE MUNICIPAL CLERK OR CLERK-TREASURER WITH THE COMMISSIONER ON OR BEFORE JUNE 1 ANNUALLY. THE COMMISSIONER SHALL FORWARD ONE COPY TO THE COUNTY AUDITOR OF THE COUNTY WHEREIN THE MUNICIPALITY IS LOCATED.)

(THE RELIEF ASSOCIATION FINANCIAL REPORT SHALL BE CERTIFIED BY AN INDEPENDENT PUBLIC ACCOUNTANT OR AUDITOR OR BY THE AUDITOR OR ACCOUNTANT WHO REGULARLY EXAMINES OR AUDITS THE FINANCIAL TRANSACTIONS OF THE MUNICIPALITY. IN ADDITION TO CERTIFYING THE FINANCIAL CONDITION OF THE SPECIAL AND GENERAL FUNDS OF THE RELIEF ASSOCIATION, THE ACCOUNTANT OR AUDITOR CONDUCTING THE AUDIT SHALL GIVE AN OPINION AS TO THE CONDITION OF THE SPECIAL AND GENERAL FUNDS OF THE RELIEF ASSOCIATION, AND SHALL COMMENT UPON ANY EXCEPTIONS TO THE REPORT. THE INDEPENDENT ACCOUNTANT OR AUDITOR SHALL HAVE AT LEAST FIVE YEARS OF PUBLIC ACCOUNTING, AUDITING OR SIMILAR EXPERIENCE, AND SHALL NOT BE AN ACTIVE, INACTIVE OR RETIRED MEMBER OF THE RELIEF ASSOCIATION OR THE FIRE OR POLICE DEPARTMENT);

(b) File the financial report in its office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b) above.

Subd. 1a. [FINANCIAL STATEMENT.] The board of each volunteer firefighters' relief association with assets of less than \$200,000 and liabilities less than \$200,000, according to the most recent financial report, shall:

(a) Prepare a detailed statement of the financial affairs of the relief association's special and general funds in the style and form prescribed by the state auditor, for the preceding fiscal year showing all money received, with the sources, and respective amounts thereof; all disbursements for which orders have been drawn upon the treasurer; all accounts payable; all accounts receivable; the amount of money remaining in the treasury; total assets including a listing of all investments; the accrued liabili-

ties; and all items necessary to show accurately the revenues and expenditures and financial position of the relief association;

(b) The detailed financial statement shall be certified by an independent public accountant or auditor or by the auditor or accountant who regularly examines or audits the financial transactions of the municipality. In addition to certifying the financial condition of the special and general funds of the relief association, the accountant or auditor conducting the examination shall give an opinion as to the condition of the special and general funds of the relief association, and shall comment upon any exceptions to the report. The independent accountant or auditor shall have at least five years of public accounting, auditing or similar experience, and shall not be an active, inactive, or retired member of the relief association or the fire or police department;

(c) File the statement in its office for public inspection and present it to the city council within 45 days after the close of the fiscal year; and

(d) Submit within 90 days after the close of the fiscal year a copy of the statement to the state auditor.

Subd. 1b. [QUALIFICATION.] A municipality or police or firefighters relief association shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.

Subd. 2. [TREASURERS BOND.] No treasurer of a relief association governed by section 69.77 shall enter upon his duties until he has given the association a (GOOD AND SUFFICIENT) bond in (AN) a reasonable amount (SET BY THE ASSOCIATION) acceptable to the municipality for the faithful discharge of his duty according to law. No treasurer of a relief association governed by sections 69.771 to 69.776 shall enter upon the duties of the office until the treasurer has given the association a good and sufficient bond in an amount equal to at least ten percent of the assets of the relief association; however, the amount of the bond need not exceed \$500,000.

Subd. 3. [REPORT BY CERTAIN MUNICIPALITIES.] Each municipality which has an organized fire department but which does not have a firefighter's relief association shall annually prepare a detailed financial report of the receipts and disbursements by the municipality for fire protection service during the preceding calendar year, on a form prescribed by the (COMMISSIONER) state auditor. The financial report shall contain any information which the (COMMISSIONER) state auditor deems necessary to disclose the sources of receipts and the purpose of disbursements for fire protection service. The financial report shall be signed by the municipal clerk or clerk treasurer of

the municipality. The financial report shall be filed by the municipal clerk or clerk-treasurer with the (COMMISSIONER) *state auditor* on or before (JUNE) *July 1* annually. The (COMMISSIONER) *state auditor* shall forward one copy to the county auditor of the county wherein the municipality is located. The municipality shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.

Subd. 4. [(EXAMINATION) *NOTIFICATION BY COMMISSIONER AND STATE AUDITOR.*] The (DETAILED FINANCIAL REPORT OF RELIEF ASSOCIATIONS AND MUNICIPAL FINANCIAL REPORTS FOR FIRE PROTECTION MAY BE EXAMINED BY THE COMMISSIONER, AND WHEN HE FINDS THAT IT APPEARS THE MONEY, OR ANY PART THEREOF, PAID UNDER THE PROVISIONS OF THIS CHAPTER OR CHAPTER 424 HAS BEEN OR IS BEING EXPENDED FOR AN UNAUTHORIZED PURPOSE, HE) *state auditor in performing an audit or examination* shall notify the (STATE AUDITOR OF THE FACT. THE STATE AUDITOR MAY EXAMINE THE FINANCIAL REPORTS AND RECORDS OF THE FIREFIGHTER'S RELIEF ASSOCIATION AND MUNICIPALITY AND WHEN HE FINDS THAT THE MONEY, OR ANY PART THEREOF, PAID UNDER THE PROVISIONS OF THIS CHAPTER OR CHAPTER 424, HAS BEEN OR IS BEING EXPENDED FOR AN UNAUTHORIZED PURPOSE HE SHALL ORDER THE FUNDS RESTORED AND TAKE WHATEVER STEPS HE DEEMS NECESSARY TO ASSURE RESTORATION. NO FURTHER AID SHALL BE PAID TO THE MUNICIPALITY UNTIL THE FUNDS ARE RESTORED. THE RELIEF ASSOCIATION SHALL BE LIABLE TO THE STATE FOR THE TOTAL COST AND EXPENSES OF SUCH EXAMINATION) *legislative commission on pensions and retirement if the audit or examination reveals malfeasance, misfeasance, or nonfeasance in office.*

The commissioner shall notify the legislative commission on pensions and retirement if the state auditor has not filed the required financial compliance reports by July 1.

Sec. 10. Minnesota Statutes 1984, section 69.77, is amended to read:

69.77 [POLICE AND FIREFIGHTERS' RELIEF ASSOCIATION GUIDELINES ACT.]

Subdivision 1. [AUTHORIZED EMPLOYER SUPPORT FOR A RELIEF ASSOCIATION.] Notwithstanding any law to the contrary, a municipality may contribute public funds, including any applicable police or fire state aid, or levy property taxes

for the support of a police or firefighters' relief association, enumerated in subdivision 1a, however organized, which provides retirement coverage or pays a service pension to a retired police officer or firefighter or a retirement benefit to a surviving dependent of either an active or retired police officer or firefighter, for the operation and maintenance of the relief association only if the municipality and the relief association comply with the provisions of this section. The commissioner (OF COMMERCE) shall not include in the apportionment of police or fire state aid to the county auditor pursuant to section 69.021, subdivision 6, any municipality in which there exists a local police or salaried firefighters relief association as enumerated in subdivision 1a which does not comply with the provisions of this section or the provisions of any applicable special law relating to the funding or financing of the association and that municipality shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to sections 69.011 to 69.051 until the reason for disqualification is remedied, whereupon the municipality, if otherwise qualified, shall be entitled to again receive state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied. The *state auditor and commissioner (OF COMMERCE)* shall determine if a municipality with a local police or salaried firefighters relief association fails to comply with the provisions of this section or the funding or financing provisions of any applicable special law.

Subd. 1a. The provisions of this section shall apply to the following retirement funds:

(1) Any police pension fund or relief association which is established pursuant to chapter 423;

(2) Any salaried firefighters pension fund or relief association which is established pursuant to chapter 424;

(3) Any pension fund or relief association which is established pursuant to this chapter which has five or more members who receive compensation for services rendered in the employment covered by the pension fund or relief association and which provides for retirement coverage or a service pension based on the compensation paid to members for that service;

(4) Any pension fund or relief association which is established and operates in whole or in part pursuant to special legislation and which provides for retirement coverage or a service pension based on the compensation paid to members for service as police officers or firefighters or which provides for retirement coverage or a service pension to volunteer firefighters based on the compensation paid to or the service pension provided by a pension fund or relief association located in the same municipality for police officers employed by the municipality but not covered by clauses (1), (2) or (3); and

(5) Any governmental subdivision retirement fund established pursuant to any law providing for retirement coverage to police officers or salaried firefighters or a retirement benefit to their dependents and not otherwise described in this subdivision.

Subd. 2. The penalty provided for in subdivision 1 shall not apply to a relief association enumerated in subdivision 1a if the (FOLLOWING) requirements of subdivisions 2a to 2h are met (:).

((1)) *Subd. 2a.* Each member of the relief association (PAYS) shall pay into the special fund of the association during a year of covered service, a contribution for retirement coverage including survivorship benefits of not less than eight percent of the maximum rate of salary upon which retirement coverage is credited and service pension and retirement benefit amounts are determined. The member contributions shall be made by payroll deduction from the salary of the member by the municipality, and shall be transmitted by the municipality to the relief association as soon as practical. The relief association shall deposit the member contribution to the credit of the special fund of the relief association. The member contribution requirement specified in this clause shall not apply to any members who are volunteer firefighters.

((2)) *Subd. 2b.* The officers of the relief association shall determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this clause. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to (CLAUSE (3)) *subdivision 2c.*

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey prepared in accordance with sections 356.215, subdivision 4 and 356.216, as required pursuant to (CLAUSE (8)) *subdivision 2h.* In the event that an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded accrued liability as reported in the most recent actuarial valuation or survey the amount calculated pursuant to sub-

clause (a) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected increase in the active membership, for the following year.

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision (4, CLAUSE (4)) 4d. The amortization date specified in this subclause shall apply to all local police or salaried firefighters relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts from the applicable state aid program established pursuant to sections 69.011 to 69.051 anticipated as receivable by the relief association after any allocation pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 anticipated for the following calendar year.

((3)) *Subd. 2c.* The officers of the relief association shall submit determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the governing body on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1 of each year. The governing body of the municipality shall ascertain whether or not the determinations were prepared in accordance with law.

((4)) *Subd. 2d.* The municipality shall provide for and shall pay each year at least the amount of the minimum obligation of the municipality to the relief association. If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency shall be added to the minimum obligation of the municipality for the following year calculated pursuant to (CLAUSE (2)) *subdivision 2b* and shall include interest at the rate of six percent per annum compounded from the date

that the municipality was required to make payment pursuant to this clause until the date that the municipality actually makes the required payment.

((5)) Subd. 2e. The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated pursuant to (CLAUSE (2)) *subdivision 2b*. The municipality may levy taxes for the payment of the minimum obligation of the municipality without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the special fund or any fund of the relief association has attained a specified minimum asset level. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced. If the municipality does not include the full amount of the minimum obligation of the municipality in the levy that the municipality certified to the county auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the county auditor. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the deficiency certified to by the officers of the relief association.

((6)) Subd. 2f. Any sums of money paid by the municipality to the relief association in excess of the minimum obligation of the municipality in any year shall be used to amortize any unfunded liabilities of the relief association.

((7)) Subd. 2g. The funds of the association shall be invested in securities which are proper investments pursuant to section 11A.24 (, EXCEPT THAT UP TO \$10,000 MAY BE INVESTED IN THE STOCK OF ANY ONE CORPORATION IN ANY ACCOUNT OF SUCH SMALL SIZE THAT THE FIVE PERCENT STOCK LIMITATION SPECIFIED IN SECTION 11A.24, SUBDIVISION 5 WOULD NECESSITATE A LESSER INVESTMENT). Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. (THE ASSOCIATION MAY ALSO INVEST FUNDS IN MINNESOTA SITUS NONFARM REAL ESTATE OWNERSHIP INTERESTS OR LOANS SECURED BY MORTGAGES OR DEEDS OF TRUST, PROVIDED THAT THE AMOUNT OF ALL INVESTMENTS IN REAL PROPERTY SHALL NOT EXCEED TEN PERCENT OF THE MARKET VALUE OF THE ASSOCIATION'S FUND.) Securities held by the association before (JULY 1, 1971) *the effective date of this act*, which do not meet the requirements of this paragraph may be retained

after that date if they were proper investments for the association on (APRIL 28, 1969) *that date*.

The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account. *The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board pursuant to section 11A.04, clause (11).*

((8)) *Subd. 2h.* The association shall procure an actuarial valuation showing the condition of the special fund of the relief association pursuant to sections 356.215 and 356.216 as of December 31 of every year. A copy of the actuarial survey shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive (SECRETARY) *director* of the legislative commission on pensions and retirement, and the (COMMISSIONER OF COMMERCE) *state auditor*, not later than (JUNE) *July* 1 of the following year.

Subd. (2A) 2i. Any amendment to the bylaws or articles of incorporation of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from any police or fire-fighters relief association enumerated in subdivision 1a shall not be effective until it is ratified by the municipality in which the relief association is located. The officers of the relief association shall not seek municipal ratification prior to obtaining either an updated actuarial valuation including the proposed amendment or an estimate of the expected actuarial impact of the proposed amendment prepared by the actuary of the relief association and submitting that actuarial valuation or estimate to the clerk of the municipality.

Subd. 3. This section may be cited as "The Police and Fire-fighters' Relief Associations Guidelines Act of 1969."

Sec. 11. Minnesota Statutes 1984, section 69.773, subdivision 2, is amended to read:

Subd. 2. [DETERMINATION OF ACTUARIAL CONDITION AND FUNDING COSTS.] Each relief association to which this section applies shall procure an actuarial valuation showing the condition of the special fund of the relief association as of December 31, 1978 and at least as of December 31

every four years thereafter. The valuation shall be prepared in accordance with the provisions of section 356.216, except that the figure for normal cost shall be expressed as a level dollar amount, and the amortization contribution shall be the level dollar amount calculated to amortize any current unfunded accrued liability by at least the date of full funding specified in subdivision 4, clause (b). Each valuation shall be filed with the governing body of the municipality in which the relief association is located and with the (COMMISSIONER OF COMMERCE) *state auditor*, not later than (JUNE) *July 1* of the year next following the date as of which the actuarial valuation is prepared. Any relief association which is operating under a special law which requires that actuarial valuations be procured at least every four years and be prepared in accordance with applicable actuarial standards set forth in statute may continue to have actuarial valuations made according to the time schedule set forth in the special legislation subject to the provisions of subdivision 3. (THE RELIEF ASSOCIATION SHALL ALSO PROCURE A QUADRENNIAL EXPERIENCE STUDY PURSUANT TO SECTION 356.216 TO ACCOMPANY THE ACTUARIAL VALUATION EVERY FOUR YEARS. WITH THE PERMISSION OF THE COMMISSIONER OF COMMERCE, A RELIEF ASSOCIATION MAY HAVE THEIR QUADRENNIAL EXPERIENCE STUDY PREPARED BY A QUALIFIED ACTUARY JOINTLY WITH THE EXPERIENCE STUDIES OF OTHER RELIEF ASSOCIATIONS AND REPORTED TO THE COMMISSIONER AS PART OF A JOINT REPORT BY THE QUALIFIED ACTUARY NOT LATER THAN DECEMBER 1 OF THE YEAR NEXT FOLLOWING THE DATE AS OF WHICH THE ACTUARIAL VALUATION IS PREPARED.)

Sec. 12. Minnesota Statutes 1984, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall be invested in securities which are proper investments pursuant to section 11A.24 (, EXCEPT THAT UP TO FIVE PERCENT OF THE SPECIAL FUND ASSETS, OR A MINIMUM OF \$10,000, MAY BE INVESTED IN THE STOCK OF ANY ONE CORPORATION). Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. Securities held by the associations before (JANUARY 1, 1972) *the effective date of this act*, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on (MAY 14, 1971) *that date*. The governing board

of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

Sec. 13. Minnesota Statutes 1984, section 69.80, is amended to read:

69.80 [AUTHORIZED ADMINISTRATIVE EXPENSES.]

Notwithstanding any provision of law to the contrary, the payment of the following necessary, reasonable and direct expenses of maintaining, protecting and administering the special fund, when provided for in the bylaws of the association and approved by the board of trustees, shall constitute authorized administrative expenses of a police, salaried firefighters or volunteer firefighters relief association organized under any law of this state:

(a) Office expense including but not limited to rent, utilities, equipment, supplies, postage, periodical subscriptions, furniture, fixtures and salaries of administrative personnel;

(b) Salaries and itemized expenses of the president, secretary and treasurer of the association, or their designees, incurred as a result of fulfilling their responsibilities as administrators of the special fund;

(c) Tuition, registration fees, organizational dues and other authorized expenses of the officers or members of the board of trustees incurred in attending educational conferences, seminars or classes relating to the administration of the relief association;

(d) Audit, actuarial, medical, legal and investment *and performance evaluation* expenses;

(e) Reimbursement to the officers and members of the board of trustees, or their designees, for reasonable and necessary expenses actually paid and incurred in the performance of their duties as officers or members of the board; and

(f) Premiums on fiduciary liability insurance and official bonds for the officers, members of the board of trustees and employees of the relief association.

Any other expenses of the relief association shall be paid from the general fund of the association, if one exists. If a relief association has only one fund, that fund shall be deemed to be the special fund for purposes of this section. If a relief association

has a special fund and a general fund, and any expense of the relief association is directly related to the purposes for which both funds were established, the payment of that expense shall be apportioned between the two funds on the basis of the benefits derived by each fund.

Sec. 14. Minnesota Statutes 1985 Supplement, section 356.216, is amended to read:

356.216 [CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE AND FIRE FUNDS.]

The provisions of section 356.215 (,) governing the contents of actuarial valuations (AND EXPERIENCE STUDIES) shall apply to any local police or fire pension fund or relief association required to make an actuarial report under this section except as follows:

(1) in calculating normal cost and other requirements expressed as a level percentage of covered payroll, the salaries used in computing covered payroll shall be the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined and from which member contributions are calculated and deducted;

(2) in lieu of the amortization date specified in section 356.215, subdivision 4, clause (7), the appropriate amortization target date specified in section 69.77, subdivision (2, CLAUSE (2)) 2b, or 69.773, subdivision 4, clause (b), shall be used in calculating the required amortization contribution;

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 4, clause (10), the member contributions for active members for the calendar year and the prospective annual retirement annuities under the benefit plan for active members shall be reported;

(4) actuarial valuations required pursuant to section 69.773, subdivision 2 shall be made at least every four years and actuarial valuations required pursuant to section 69.77 shall be made annually; and

(5) the actuarial balance sheet showing accrued assets, accrued liabilities, and the deficit from full funding of liabilities (unfunded accrued liability) shall include the following required reserves:

(a) For active members

1. Retirement benefits
2. Disability benefits

3. Refund liability due to death or withdrawal
4. Survivors' benefits
 - (b) For deferred annuitants' benefits
 - (c) For former members without vested rights
 - (d) For annuitants
1. Retirement annuities
2. Disability annuities
3. Surviving spouses' annuities
4. Surviving children's annuities

(6) actuarial valuations shall be due not later than the first day of the seventh month after the end of the fiscal year which the valuation covers.

In addition to the above required reserves, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above.

Sec. 15. [423A.001] [RECORDS; BOARD REPRESENTATION; FIDUCIARY RESPONSIBILITY.]

Subdivision 1. [RECORDS.] A local relief association is subject to the provisions of chapter 6 relating to audits by the state auditor, the provisions of chapter 13, and the provisions of sections 15.17, 138.163, and 138.17 relating to the creation and retention of official and public records. The records of the special fund and the bylaws of the relief association shall be public and shall be open for inspection by any member of the relief association, any officer or employee of the state or the municipality, or any member of the public, at reasonable times and places.

Subd. 2. [MUNICIPAL REPRESENTATION.] Notwithstanding any other law, the membership of the board of trustees shall include at least two members appointed by the municipality. The members appointed by the municipality shall have all the rights and privileges of board membership including full voting powers. No relief association shall reduce the number of municipal representatives on its board by reason of this subdivision.

Notwithstanding any law which designates certain officials as ex officio members of a board of trustees, the municipality may appoint the same number of members as it is authorized to have on the board in the laws governing the relief association as of

the effective date of this act, but the municipality may appoint to those positions any individuals it so chooses.

Whenever the board of trustees appoints an investment subcommittee at least one of the municipal representatives must be a member of that investment subcommittee.

Subd. 3. [PUBLIC OFFICERS.] The officers and trustees of a local relief association are public officers for purposes of sections 471.87 and 609.43.

Subd. 4. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees shall be held to the standard of care enumerated in section 11A.09.

Each member of the board is a fiduciary. No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:

(1) sale or exchange or leasing of any real property between the relief association and a board member;

(2) lending of money or other extension of credit between the relief association and a board member or member of the relief association;

(3) furnishing of goods, services, or facilities between the relief association and a board member; or

(4) transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.

Sec. 16. [423A.002] [REPORTS; FINANCIAL TRANSACTIONS.]

Subdivision 1. [REPORTS.] The board shall report to the municipality at least annually regarding each of the following:

(1) the required municipal support for the relief association required pursuant to section 69.77;

(2) the financial condition of the relief association according to the audited financial statements required pursuant to section 69.051;

(3) investment objectives and performance;

(4) *surety bond amounts for its secretary and treasurer required pursuant to section 69.051, subdivision 4; and*

(5) *the annual administrative budget for relief associations.*

Subd. 2. [RELIEF ASSOCIATION RECEIPTS AND DISBURSEMENTS.] An official designated by the municipality shall receive and deposit all money received for the special fund of the relief association and may countersign all disbursements from the accounts of the special fund of the relief association, but must countersign all disbursements of at least \$5,000. If an institution with trustee powers is hired to administer the financial affairs of the relief association, an official designated by the municipality must approve the trustee agreement and shall countersign authorizations for disbursements of at least \$5,000.

Sec. 17. Minnesota Statutes 1984, section 424A.001, subdivision 4, is amended to read:

Subd. 4. [RELIEF ASSOCIATION.] "Relief association" means (a) a volunteer firefighters' relief association or volunteer firefighters' division or account of a partially salaried and partially volunteer firefighters' relief association organized and incorporated under chapter 317 and any laws of the state, governed by chapters 69 and 424A, and directly associated with a fire department established by municipal ordinance; or (b) any separate incorporated volunteer firefighters' relief association subsidiary to and providing service pension and retirement benefit coverage for members of an independent nonprofit firefighting corporation organized under the provisions of chapter 317, governed by chapter 424A, and operating exclusively for firefighting purposes. A relief association is a governmental entity that receives and manages public money to provide retirement benefits for individuals providing the governmental services of firefighting and emergency first response.

Sec. 18. Minnesota Statutes 1984, section 424A.001, is amended by adding a subdivision to read:

Subd. 7. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees shall be held to the standard of care enumerated in section 11A.09.

Each member of the board is a fiduciary. No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:

(1) *sale or exchange or leasing of any real property between the relief association and a board member;*

(2) *lending of money or other extension of credit between the relief association and a board member;*

(3) *furnishing of goods, services, or facilities between the relief association and a board member or member of the relief association; or*

(4) *transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.*

Sec. 19. [AUTHORIZATION TO INCREASE BOARD SIZE.]

Any relief association that has a board with fewer than two municipal members as of the effective date of this act is authorized to increase the size of its board up to two positions to include municipal representatives. No municipal approval of an amendment of the bylaws to increase the size of the board is required.

Any relief association that increases the size of its board pursuant to this section should send a copy of the bylaws amendment to the executive director of the legislative commission on pensions and retirement.

Sec. 20. [INSTRUCTIONS TO REVISOR.]

The revisor of statutes is directed to change the words "executive secretary of the legislative commission on pensions and retirement" wherever they appear in Minnesota Statutes to "executive director of the legislative commission on pensions and retirement" in Minnesota Statutes 1986 and subsequent editions of the statutes.

The revisor of statutes is directed to change the reference to "section 69.77, subdivision 2, clause (2)" in section 423A.01, subdivision 2, clause (4) to "section 69.77, subdivision 2b."

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 20 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 10, after the comma insert "subdivision 4, and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2044, A bill for an act relating to courts; altering the responsibility for establishing the salary of the state court administrator and district court administrator; amending Minnesota Statutes 1984, sections 15A.083, subdivision 4; 480.13; and 484.68, subdivision 6.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 2062, A bill for an act relating to highways; providing for transfers of ownership of certain highways between the commissioner of transportation and Hennepin county; adding new routes to the trunk highway system in substitution of existing routes; deleting routes from the trunk highway system; authorizing the commissioner of transportation to add certain routes to the trunk highway system; amending Minnesota Statutes 1984, section 161.117.

Reported the same back with the following amendments:

Pages 2 and 3, delete section 3

Page 4, line 10, delete "*University Avenue*"

Page 4, line 11, delete "*at the northerly limits of*" and insert "*Route No. 394 in*"

Page 4, delete section 7

Page 6, line 15, delete "*10*" and insert "*8*"

Page 6, line 27, delete "*the*" and insert "*its intersection with*"

Page 6, line 28, delete "*interchange on*" and insert "*near*"

Page 7, delete lines 2 to 5

Page 7, line 6, delete "*(6)*" and insert "*(5)*"

Page 7, line 6, delete "*52*" and insert "*12*"

Page 7, line 10, delete "*(7)*" and insert "*(6)*"

Page 7, line 14, delete "(8)" and insert "(7)"

Page 7, line 18, delete "(9)" and insert "(8)"

Page 7, after line 20, insert:

"(9) New Brighton Boulevard from its intersection with marked Interstate Highway No. 35-W to its intersection with Broadway Street Northeast, in the city of Minneapolis;"

Page 7, line 32, delete "Interstate" and insert "Trunk"

Page 7, line 32, delete "94" and insert "No. 101"

Page 8, lines 9, 11, 15, and 30, delete "14" and insert "12"

Page 8, delete lines 19 to 26

Page 8, line 33, delete "a" and insert "the"

Page 8, line 33, delete "sections 1 to 14" and insert "section 9, subdivision 2, clause (10),"

Page 9, line 1, delete "14" and insert "12"

Page 9, line 7, delete "9" and insert "7"

Page 9, line 12, delete "14" and insert "12, or by reason of route description revisions required by the transfer"

Page 9, line 13, delete "11, subdivision 2 is" and insert "9, subdivisions 1 and 2, are"

Page 9, line 14, delete "13" and insert "11" and delete "11" and insert "9"

Page 9, line 15, delete "subdivisions 1, 3, and 4" and insert "subdivision 3"

Page 9, line 15, delete "10, 12, and 13" and insert "8, 10, and 11"

Renumber the sections accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 2080, A bill for an act relating to agriculture; declaring state policy relating to paddy-grown rice; regulating paddy-grown rice; providing land to be sold for wild rice production; licensing wild rice producers; authorizing rules; amending Minnesota Statutes 1985 Supplement, section 92.501, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 30; repealing Minnesota Statutes 1984, section 30.49.

Reported the same back with the following amendments:

Page 1, delete lines 22 to 25

Page 2, line 10, delete "*shall*" and insert "*may*"

Page 2, delete lines 21 to 32

Page 3, delete lines 22 and 23

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, delete lines 4 and 5

Page 1, line 6, delete "rules;"

Page 1, line 8, delete the semicolon

Page 1, line 9, delete everything before the period

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 2081, A bill for an act relating to human services; directing the commissioner of human services to create a mental health service system; setting forth requirements for a mental health service system; amending Minnesota Statutes 1984, section 245.69, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, after "1a." insert "[MENTAL HEALTH MISSION STATEMENT.]"

Page 1, line 21, after "(1)" insert "increase the level of functioning of people with mental illness or" and delete "people with mental illness" and insert "them"

Page 2, line 12, delete "toward" and insert "and recommendations for" and after "subdivision" insert "and on additional resources needed to further implement this subdivision"

Page 2, after line 12, insert:

"Sec. 2. [STUDY TRANSFER OF RESPONSIBILITIES.]

The director of the state planning agency, in consultation with the commissioners of health and human services, shall study and make recommendations for the orderly transfer of licensing and quality assurance activities related to mental health programs and the treatment of mental illness from the commissioner of human services to the commissioner of health. The director shall report to the legislature before December 15, 1986."

Amend the title as follows:

Page 1, line 5, after the semicolon insert "requiring a study;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 2082, A bill for an act relating to mental health; extending the patients' bill of rights to cover people receiving outpatient mental health treatment; defining a minimum grievance procedure for health care facilities; including in the patients' bill of rights the right of access to protection and advocacy services; amending Minnesota Statutes 1984, section 144.651, subdivisions 2, 4, 20, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 21, after "basis" insert "or in a community support program or other community-based program"

Page 2, line 4, after "treatment" insert "*and maintenance in the community*"

Page 2, line 7, strike "arrangements" and insert "*accommodations*"

Page 2, line 14, after "person" insert "*, consistent with chapter 13, the data practices act, and section 626.557, relating to vulnerable adults*"

Page 2, line 25, strike "facility's" and after "procedure" insert "*of the facility or program*"

Page 3, line 11, delete "access" and insert "*reasonable access at reasonable times*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 2096, A bill for an act relating to taxation; property; changing payment dates for certain property tax reimbursements; amending Minnesota Statutes 1985 Supplement, section 273.13, subdivision 15a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1

PROPERTY TAXES

Section 1. Minnesota Statutes 1984, section 124.195, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER'S ASSUMPTIONS.] For purposes of determining the amount of state general fund cash to be paid to school districts pursuant to subdivision 3, the commissioner of education shall:

(a) assume that the payments to school districts by the county treasurer of revenues accruing to the fiscal year of receipt pursuant to section 276.10 are made in the following manner:

(1) 50 percent within seven business days of each due date; and

(2) 100 percent within 14 business days of each due date;

(b) *assume that the payments to school districts by the county treasurer of revenues accruing to the fiscal year of receipt pursuant to section 8 are made in the following manner:*

(1) 50 percent within seven business days from the October 15 distribution;

(2) 100 percent within 14 business days from the October 15 distribution; and

(3) 100 percent within ten business days from the November 15 distribution.

(c) assume that the payments to school districts by county auditors pursuant to section 124.10, subdivision 2 are made at the end of the months indicated in that subdivision.

Sec. 2. Minnesota Statutes 1984, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually on August 15 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation of the real property of any town or district in any county, or the valuation of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board may add to, or take from, the valuation of any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which

the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof; (AND)

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; and

(8) Effective with the 1986 assessment and subsequent years, in equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales which occurred between October 1 of the year immediately preceding the previous year to September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property.

Sec. 3. Minnesota Statutes 1985 Supplement, section 273.13, subdivision 15a, is amended to read:

Subd. 15a. [GENERAL FUND, REPLACEMENT OF REVENUE.] (1) Payment from the general fund shall be made, as provided herein, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in subdivisions 22 and 23.

(2) Each county auditor shall certify, not later than May 1 of each year to the commissioner of revenue the amount of reduction resulting from subdivisions 22 and 23 in his county. This certification shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section

275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

(3) Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified under clause (2). The commissioner of revenue shall pay to each taxing district, other than school districts, its total payment for the year in equal installments on or before July 15 (, AUGUST 15, SEPTEMBER 15, OCTOBER 15, NOVEMBER 15,) and December 15 of each year.

Sec. 4. Minnesota Statutes 1985 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$64,000 of market value of class 1a property must be assessed at 18 percent of its market value. The homestead value of class 1a property that exceeds \$64,000 must be assessed at 28 percent of its value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and his or her spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased

veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) *whose household income as defined in section 290A.03, subdivision 5, is less than \$18,000 and receives (90) at least 80 percent (OR MORE) of his or her total income from*

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability.

Property is classified and assessed pursuant to clause (1) only if the commissioner of human services certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. The commissioner of human services shall provide a copy of the certification to the commissioner of revenue.

Class 1b property is valued and assessed as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first \$32,000 of market value shall be valued and assessed at five percent, the next \$32,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 18 percent; and in the case of all other real estate and manufactured homes, the first \$32,000 of market value shall be valued and assessed at five percent, the next \$32,000 of market value shall be valued and assessed at 18 percent, and the remaining market value shall be valued and assessed at 28 percent. In the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject

to the five percent and 18 percent rates; and for all other real estate and manufactured homes, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 18 percent rates. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. It must be assessed at 12 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

(d) The tax to be paid on class 1a or class 1b property, less any reduction received pursuant to sections 273.123 and 473H.10, shall be reduced by 54 percent of the tax imposed on the first \$68,000 of market value. The amount of the reduction shall not exceed \$700.

Sec. 5. Minnesota Statutes 1984, section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On the fifth day of March and the 20th day of May (, AND OCTOBER) of each year, the county treasurer shall make full settlement with the county auditor of all receipts collected by him for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in the form prescribed by the state auditor. At each settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

Settlement of receipts from May 20 to December 31 of each year shall be made as provided in section 8.

For purposes of this section, "receipts" shall include all tax payments received by the county treasurer on or before the settlement date.

Sec. 6. Minnesota Statutes 1984, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

On the settlement day in March (,) and May (, AND OCTOBER) of each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury, apportioning them, as provided by law, and placing them to the credit of the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall make a report of it to the state auditor in the form prescribed by the state auditor. The county auditor shall issue his warrant for the payment of moneys in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive them. The county auditor may apply the mill rate from the year previous to the year of distribution when apportioning and distributing delinquent tax proceeds, provided that the composition of the previous year's mill rate between taxing districts is not significantly different than that which existed for the year of the delinquency.

Sec. 7. Minnesota Statutes 1984, section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS FROM MARCH AND MAY SETTLEMENT.]

As soon as practical after (EACH) *the March and the May* settlement the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in the clerk's office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon. The county treasurer shall pay, upon written request of the state, a municipal corporation or other public body except school districts, at least 70 percent of the estimated

collection within 30 days after the *March and the May* settlement (DATE) *dates*. Within seven business days after the due date, the county treasurer shall pay to the treasurer of the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district and the remaining 50 percent of the estimated collections shall be paid to the treasurer of the school district within the next seven business days. The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the *March and the May* settlement (DATE) *dates*, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 8. [276.111] [DISTRIBUTIONS AND FINAL YEAR END SETTLEMENT.]

Within seven business days after October 15 the county treasurer shall pay to the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district from May 20 to October 20 and the remaining 50 percent of the estimated tax collections must be paid to the school district within the next seven business days. Within ten business days after November 15 the county treasurer shall pay to the school district 100 percent of the estimated collections arising from taxes levied by and belonging to the school districts from October 20 to November 20.

Not later than November 15, the county treasurer shall pay to each taxing district, except any school district, 70 percent of the estimated tax collections from May 20 to October 20. Not later than December 15, the county treasurer shall pay to each taxing district, except school districts, 90 percent of the estimated tax collections through November 30 which have not previously been distributed to the taxing district.

On the fifth day of January the county treasurer shall make full settlement with the county auditor of all receipts collected from the 20th day of May to December 31 of the preceding year. After subtracting any tax distributions which have been made to the taxing districts in October, November, and December, the treasurer shall pay to each of the taxing districts on or before January 25, the balance of the tax amounts collected on behalf of each taxing district. Interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the taxing district if this final settlement amount is not paid by January 25. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not

paid may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 9. Minnesota Statutes 1984, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, *or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, November 16*, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, *or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, the 16th day of November*, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

- (1) That the proposed review is to be taken in good faith;
- (2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and
- (3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prose-

duction of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 10. Minnesota Statutes 1985 Supplement, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivision 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file the offer with proof of notice, and the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of October, *or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, the 16th day of November*, of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October, *or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, the 16th day of November*, of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 11. Minnesota Statutes 1984, section 279.01, as amended by Laws 1985, chapter 300, section 12, is amended to read:

279.01 [DUE DATE; PENALTIES, INTEREST.]

Subdivision 1. *Except as provided in subdivision 3*, on May 16, of each year, with respect to property actually occupied and

used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 1c, 2c, or 6a, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to his payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the 16th day of each month, up to and including October 16 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following; provided, also, that the same may be paid in installments as follows: One-fourth prior to March 16; one-fourth prior to May 16; one-fourth prior to August 16; and the remaining one-fourth prior to October 16, subject to the aforesaid penalties. Where the taxes delinquent after October 16 against any tract or parcel exceed \$100, upon resolution of the county board, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Subd. 2. In the case of any tax on *class 3cc, 3b and 3c* homestead property paid within 30 days after the due date specified in this section or after the 30-day extension as specified in *subdivision 3*, the county board may, with the concurrence of the

county treasurer, delegate to the county treasurer the power to abate the penalty provided for late payment. Notwithstanding section 270.07, if any county board so elects, the county treasurer may abate the penalty if in his judgment the imposition of the penalty would be unjust and unreasonable.

Subd. 3. In the case of class 3cc agricultural homestead and class 3b agricultural homestead property and class 3 agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 3cc agricultural homestead and class 3b homestead property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 16 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class 3 agricultural nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 16 following, an additional four percent shall be charged on all such unpaid taxes.

If the owner of class 3cc agricultural homestead, class 3b, or class 3 agricultural property receives a consolidated property tax statement that shows only an aggregate of the taxes and special assessments due on that property and on other property not classified as class 3cc agricultural homestead, class 3b, or class 3 agricultural property, the aggregate tax and special assessments shown due on the property by the consolidated statement will be due on November 15 provided that at least 50 percent of the property's market value is classified class 3cc agricultural, class 3b, or class 3 agricultural.

Sec. 12. [1986 ASSESSMENT ONLY.]

For the 1986 assessment only, in the case of property which qualifies for the 1b classification as a result of the provisions in section 4, the March 1 certification deadline of 1b property with the commissioner of revenue as provided in Minnesota Statutes, section 273.1315, shall be extended to July 1, 1986. The commissioner shall provide to the assessor on or before August 1, 1986, a listing of the parcels of property qualifying for the 1b classification pursuant to the changes made in section 4.

Sec. 13. [INSTRUCTION TO THE REVISOR.]

In the next edition of Minnesota Statutes, the revisor shall change class 3cc to class 1b, class 3b to class 2a, class 3 to class 2c, and class 3c to class 1a, wherever they appear in sections 278.03, 278.05, subdivision 5, and 279.01.

Sec. 14. [EFFECTIVE DATE.]

Sections 1, and 5 to 11 are effective for property taxes payable in 1986 and thereafter. Sections 2, 4, and 12 are effective for

taxes assessed in 1986 and subsequent years. Section 3 is effective July 1, 1986.

ARTICLE 2

INCOME TAX

Section 1. Minnesota Statutes 1985 Supplement, section 290.491, is amended to read:

290.491 [TAX ON GAIN; DISCHARGE IN BANKRUPTCY.]

(a) Any tax due under this chapter on a gain realized on a forced sale pursuant to foreclosure of a mortgage or other security interest in agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be a dischargeable debt in a bankruptcy proceeding under United States Code, title 11, section 727.

(A GAIN) (b) *Income realized on a sale or exchange of agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be exempt from taxation under this chapter, if the taxpayer was insolvent at the time of the sale and the proceeds of the sale were used solely to discharge indebtedness secured by a mortgage, lien or other security interest on the property sold. For purposes of this section, "insolvent" means insolvent as defined in section 108(d)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1984. This paragraph applies only to the extent that the gain is includable in federal adjusted gross income or in the computation of the alternative minimum taxable income under section 290.091 for purposes of the alternative minimum tax. The amount of the exemption is limited to the excess of the taxpayer's (1) liabilities over (2) the total assets and any exclusion claimed under section 108 of the Internal Revenue Code of 1954, as amended through December 31, 1985, determined immediately before application of this paragraph.*

(c) *For purposes of this section, any tax due under this chapter specifically includes, but is not limited to, tax imposed under sections 290.02 and 290.03 on income derived from a sale or exchange, whether constituting gain, discharge of indebtedness or recapture of depreciation deductions, or the alternative minimum tax imposed under section 290.091.*

Sec. 2. [REPEALER.]

Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2f, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for taxable years beginning after December 31, 1985. Section 2 is effective January 1, 1986.

ARTICLE 3**LOCAL GOVERNMENT AIDS**

Section 1. Minnesota Statutes 1985 Supplement, section 477A.-011, subdivision 10, is amended to read:

Subd. 10. [MAXIMUM AID AMOUNT.] For any calendar year aid distribution, a city's maximum aid amount shall be (106) 103 percent of its previous year aid amount, provided that its previous year aid amount exceeded \$150 per capita. If its previous year aid amount was less than \$150 per capita, its maximum aid amount shall be the lesser of: (a) (112) 105 percent of its previous year aid amount, or (b) (\$159) \$154.50 multiplied by the population figure used in determining its previous year aid.

Sec. 2. Minnesota Statutes 1985 Supplement, section 477A.-011, subdivision 12, is amended to read:

Subd. 12. [PREVIOUS YEAR AID AMOUNT.] For any calendar year aid distribution, a (MUNICIPALITY'S) *governmental unit's* previous year aid amount means the amount that it was certified to receive for the previous calendar year pursuant to sections 477A.011 to 477A.03.

Sec. 3. Minnesota Statutes 1985 Supplement, section 477A.-012, is amended to read:

477A.012 [COUNTY GOVERNMENT DISTRIBUTIONS.]

In calendar year (1986) 1987, each county government shall receive a distribution equal to (60) 103 percent of (THE) *its previous year* aid amount (CERTIFIED FOR 1983 PURSUANT TO SECTIONS 477A.011 TO 477A.03).

Sec. 4. Minnesota Statutes 1985 Supplement, section 477A.-013, is amended to read:

477A.013 [MUNICIPAL GOVERNMENT DISTRIBUTIONS.]

Subdivision 1. [TOWNS.] In calendar year (1986) 1987, each town which had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to (THE GREATER OF:

(A) 60 PERCENT OF THE AMOUNT RECEIVED IN 1983 PURSUANT TO MINNESOTA STATUTES 1982, SECTIONS 273.138, 273.139, AND 477A.011 TO 477A.03; OR (B) 106) 103 percent of (THE AMOUNT RECEIVED IN 1985 1986 PURSUANT TO MINNESOTA STATUTES 1984, SECTIONS 477A.011 TO 477A.03) *its previous year aid.*

Subd. 2. [CITIES.] In calendar year (1986) 1987, each city shall receive a local government aid distribution as determined by the following steps.

(1) A preliminary aid amount shall be computed for each city equal to the amount obtained by subtracting its local effort mill rate multiplied by its equalized assessed value from its fiscal need factor, except that its preliminary aid amount may not be less than its previous year aid amount.

For any city which received more than \$70 per capita in attached machinery aids in 1983 pursuant to Minnesota Statutes 1982, section 273.138, an amount equal to the amount of attached machinery aids received in 1983 shall be added to the preliminary aid amount.

(2) For each city, an aid increase amount equal to the amount by which its preliminary aid amount exceeds its previous year aid amount shall be determined. Each city's aid increase amount shall be reduced by a uniform percentage as determined by the commissioner of revenue, to make the sum of the final aid distributions for all cities equal the aid limitation imposed by subdivision 3.

(3) Each city's final aid amount shall be equal to the sum of its aid increase amount, as adjusted, and its previous year aid amount; provided, however, that no city's aid shall exceed its maximum aid amount (, AND FURTHER PROVIDED THAT NO CITY WHICH IS A CITY OF THE FIRST CLASS SHALL HAVE A FINAL AID AMOUNT WHICH IS LESS THAN 102 PERCENT OF ITS PREVIOUS YEAR AID).

Subd. 3. [AID LIMITATION.] The total amount available for distribution to cities pursuant to subdivision 2 shall be (\$286,000,000) \$294,600,000 for calendar year (1986) 1987.

Sec. 5. Minnesota Statutes 1984, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in (SIX) two equal installments on July 15 (, AUGUST 15, SEPTEMBER 15, OCTOBER 15, NOVEMBER 15,) and December 15 annually.

(FOR CALENDAR YEAR 1981 ONLY, THE COMMISSIONER SHALL MAKE THE PAYMENTS IN SEVEN INSTALLMENTS COMPUTED AS FOLLOWS: ONE-FOURTH OF THE CALENDAR YEAR 1981 AIDS SHALL BE PAID ON MARCH 15; THE REMAINING AMOUNTS SHALL BE DIVIDED INTO SIX EQUAL PAYMENTS TO BE MADE ON JULY 15, AUGUST 15, SEPTEMBER 15, OCTOBER 15, NOVEMBER 15, AND DECEMBER 15.)

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 4 are effective for local government aid payments beginning in 1987. Section 5 is effective July 1, 1986.

ARTICLE 4

TAX COMPLIANCE

Section 1. Minnesota Statutes 1985 Supplement, section 60A.17, subdivision 1a, is amended to read:

Subd. 1a. [LICENSE APPLICATION.] (a) [PROCEDURE.] An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9) at the time the agent becomes licensed. The application and appointment shall be on forms prescribed by the commissioner.

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

(b) [RESIDENT AGENT.] The commissioner shall issue a resident insurance agent's license to a qualified resident of this state as follows:

(1) a person may qualify as a resident of this state if that person resides in this state or the principal place of business of that person is maintained in this state. Application for a license claiming residency in this state for licensing purposes, shall constitute an election of residency in this state. Any license issued upon an application claiming residency in this state shall be void if the licensee, while holding a resident license in this state, also

holds, or makes application for, a resident license in, or thereafter claims to be a resident of, any other state or jurisdiction or if the licensee ceases to be a resident of this state; provided, however, if the applicant is a resident of a community or trade area, the border of which is contiguous with the state line of this state, the applicant may qualify for a resident license in this state and at the same time hold a resident license from the contiguous state;

(2) the commissioner shall subject each applicant who is a natural person to a written examination as to the applicant's competence to act as an insurance agent. The examination shall be held at a reasonable time and place designated by the commissioner;

(3) the examination shall be approved for use by the commissioner and shall test the applicant's knowledge of the lines of insurance, policies, and transactions to be handled under the class of license applied for, of the duties and responsibilities of the licensee, and pertinent insurance laws of this state;

(4) the examination shall be given only after the applicant has completed a program of classroom studies in a school, which shall include a school conducted by an admitted insurer. The course of study shall consist of 30 hours of classroom study devoted to the basic fundamentals of insurance for those seeking a Minnesota license for the first time, 15 hours devoted to specific life and health topics for those seeking a life and health license, and 15 hours devoted to specific property and casualty topics for those seeking a property and casualty license. The program of studies or study course shall have been approved by the commissioner in order to qualify under this clause. If the applicant has been previously licensed for the particular line of insurance in the state of Minnesota, the requirement of a program of studies or a study course shall be waived. A certification of compliance by the organization offering the course shall accompany the applicant's license application. This program of studies in a school or a study course shall not apply to farm property perils and farm liability applicants, or to agents writing such other lines of insurance as the commissioner may exempt from examination by order;

(5) the applicant must pass the examination with a grade determined by the commissioner to indicate satisfactory knowledge and understanding of the class or classes of insurance for which the applicant seeks qualification. The commissioner shall inform the applicant as to whether or not the applicant has passed;

(6) an applicant who has failed to pass an examination may take subsequent examinations. Examination fees for subsequent examinations shall not be waived; and

(7) any applicant for a license covering the same class or classes of insurance for which the applicant was licensed under a similar license in this state, other than a temporary license, within the three years preceding the date of the application shall be exempt from the requirement of a written examination, unless the previous license was revoked or suspended by the commissioner. *An applicant whose license is not renewed under subdivision 20 is exempt from the requirement of a written examination.*

(c) [NONRESIDENT AGENT.] The commissioner shall issue a nonresident insurance agent's license to a qualified person who is a resident of another state or country as follows:

(1) A person may qualify for a license under this section as a nonresident only if that person holds a license in another state, province of Canada, or other foreign country which, in the opinion of the commissioner, qualifies that person for the same activity as that for which a license is sought;

(2) The commissioner shall not issue a license to any nonresident applicant until that person files with the commissioner a designation of the commissioner and the commissioner's successors in office as the applicant's true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of any interested person arising out of the applicant's insurance business in this state. This designation shall constitute an agreement that this service of process is of the same legal force and validity as personal service of process in this state upon that applicant.

Service of process upon any licensee in any action or proceeding commenced in any court of competent jurisdiction of this state may be made by serving the commissioner with appropriate copies of the process along with payment of the fee pursuant to section 60A.14, subdivision 1, paragraph (c), clause (4). The commissioner shall forward a copy of the process by registered or certified mail to the licensee at the last known address of record or principal place of business of the licensee; and

(3) A nonresident license shall terminate automatically when the resident license for that class of license in the state, province, or foreign country in which the licensee is a resident is terminated for any reason.

(d) [DENIAL.] (1) If the commissioner finds that an applicant for a resident or nonresident license has not fully met the requirements for licensing, the commissioner shall refuse to issue the license and shall promptly give written notice to both the applicant and the appointing insurer of the denial, stating the grounds for the denial. All fees which accompanied the application and appointment shall be deemed earned and shall not be refundable.

(2) The commissioner may also deny issuance of a license for any cause that would subject the license of a licensee to suspension or revocation. If a license is denied pursuant to this clause, the provisions of subdivision 6c, paragraph (c) apply.

(3) The applicant may make a written demand upon the commissioner for a hearing within 30 days of the denial of a license to determine whether the reasons stated for the denial were lawful. The hearing shall be held pursuant to chapter 14.

(e) [TERM.] All licenses issued pursuant to this section shall remain in force until voluntarily terminated by the licensee, not renewed as prescribed in subdivision 1d, or until suspended or revoked by the commissioner. A voluntary termination shall occur when the license is surrendered to the commissioner with the request that it be terminated or when the licensee dies, or when the licensee is dissolved or its existence is terminated. In the case of a nonresident license, a voluntary termination shall also occur upon the happening of the event described in paragraph (c), clause (3).

Every licensed agent shall notify the commissioner within 30 days of any change of name, address, or information contained in the application.

(f) [SUBSEQUENT APPOINTMENTS.] A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided, that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9). The notice of appointment shall be on a form prescribed by the commissioner.

(g) [AMENDMENT OF LICENSE.] An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section 60A.14, subdivision 1, paragraph (c).

An applicant who surrenders an insurance license pursuant to this clause retains licensed status until an amended license is received.

(h) [EXCEPTIONS.] The following are exempt from the general licensing requirements prescribed by this section:

(1) agents of township mutuals who are exempted pursuant to subdivision 1b;

(2) fraternal beneficiary association representatives exempted pursuant to subdivision 1c;

(3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer; provided that a licensed agent must participate in the sale of any such insurance;

(4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided, that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications therefor;

(5) employees of a creditor who enroll debtors for life or accident and health insurance; provided the employees receive no commission or fee therefor; and

(6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums.

Sec. 2. Minnesota Statutes 1984, section 60A.17, is amended by adding a subdivision to read:

Subd. 20. [TAX CLEARANCE CERTIFICATE.] (a) The commissioner may not issue or renew a license under this section if the commissioner of revenue notifies the commissioner and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The commissioner may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the commissioner. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) *"Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.*

(2) *"Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.*

(c) *In lieu of the notice and hearing requirements of subdivisions 6c and 6d, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.*

(d) *The commissioner shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the commissioner must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.*

Sec. 3. Minnesota Statutes 1984, section 82.22, subdivision 3, is amended to read:

Subd. 3. [RE-EXAMINATIONS.] An examination may be required before the renewal of any license which has been suspended, or before the issuance of a license to any person whose license has been ineffective for a period of one year, except no re-examination shall be required of any individual who has failed to cause renewal of an existing license because of absence from the state while on active duty with the armed services of the United States of America, and no re-examination shall be required of an individual whose license has not been renewed under section 82.27, subdivision 7.

Sec. 4. Minnesota Statutes 1984, section 82.27, is amended by adding a subdivision to read:

Subd. 7. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the provisions of subdivision 1, the commissioner may not issue or renew a license if the commissioner of revenue notifies the commissioner and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The commissioner may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the commissioner. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) In lieu of the notice and hearing requirements of subdivisions 3, 4, 5, and 6, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) The commissioner shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the commissioner must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.-43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.

Sec. 5. Minnesota Statutes 1985 Supplement, section 147.021, is amended by adding a subdivision to read:

Subd. 7. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the provisions of subdivision 1, the board may not issue or renew a license if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) In lieu of the notice and hearing requirements of subdivision 1, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) The board shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.

Sec. 6. Minnesota Statutes 1984, section 148.10, is amended by adding a subdivision to read:

Subd. 5. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the grounds provided in subdivision 1, the board may not issue or renew a license to practice chiropractic if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) In lieu of the notice and hearing requirements of subdivisions 3 and 4, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) The board shall require all licensees or applicants of a license to practice chiropractic to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants for a license to practice chiropractic, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections

290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.

Sec. 7. Minnesota Statutes 1984, section 150A.08, is amended by adding a subdivision to read:

Subd. 9. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the grounds provided in subdivision 1 and notwithstanding subdivision 3, the board may not issue or renew a license to practice dentistry if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) In lieu of the notice and hearing requirements of subdivision 8, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) The board shall require all licensees or applicants for a license to practice dentistry to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue

a list of all licensees and applicants for a license to practice dentistry including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.

Sec. 8. Minnesota Statutes 1985 Supplement, section 270.063, is amended to read:

270.063 [COLLECTION OF DELINQUENT TAXES.]

For the purpose of collecting delinquent state tax liabilities (FROM TAXPAYERS WHO DO NOT RESIDE OR ARE NOT LOCATED IN MINNESOTA), there is appropriated to the commissioner of revenue an amount representing the cost of collection, not to exceed one-third of the amount collected 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. The commissioner shall report quarterly on the status of this program to the chairmen 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 (OUT OF STATE) of delinquent tax liabilities owed to the commissioner of revenue.

Sec. 9. Minnesota Statutes 1985 Supplement, section 270.69, subdivision 2, is amended to read:

Subd. 2. [FILING OF LIENS NECESSARY FOR ENFORCEABILITY AGAINST CERTAIN PERSONS.] The lien imposed by subdivision 1 is not enforceable against any purchaser, mortgagee, pledgee, holder of a uniform commercial code security interest, mechanic's lienor, or judgment lien creditor, until a notice of lien has been filed by the commissioner of revenue in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or which is a corporation, partnership, or other organization, in the office of the secretary of state. (THE INDEXING OF LIENS FILED PURSUANT TO THIS SUBDIVISION AND, NOTWITHSTANDING SECTION 386.77, THE FEES CHARGED FOR SUCH FILING AND INDEXING, SHALL BE AS PRESCRIBED IN SECTIONS 272.483 AND 272.484.) *Notwithstanding any other law to the contrary, the department of revenue is exempt from the payment of fees at*

the time the lien is offered for filing or recording. The fee for filing or recording the lien must be paid at the time the release of lien is offered for filing or recording. Notwithstanding any law to the contrary, the fee for filing or recording the lien or the release of lien is \$15.

Sec. 10. Minnesota Statutes 1985 Supplement, section 270.69, subdivision 3, is amended to read:

Subd. 3. [EXEMPT PROPERTY.] The lien imposed on personal property by this section, even though properly filed, is not enforceable against a purchaser with respect to tangible personal property purchased at retail, or against the personal property listed as exempt in sections 550.37, 550.38, and 550.39 (, OR AGAINST THE HOMESTEAD OF THE TAXPAYER AS DEFINED IN CHAPTER 510).

Sec. 11. Minnesota Statutes 1985 Supplement, section 270.69, subdivision 4, is amended to read:

Subd. 4. [PERIOD OF LIMITATIONS.] The lien imposed by this section shall, notwithstanding any other provision of law to the contrary, be enforceable from the time the lien arises and for ten years from the date of filing the notice of lien, which must be filed by the commissioner within five years after the date of assessment of the tax. A notice of lien filed in one county may be transcribed to any other county within ten years after the date of its filing, but the transcription shall not extend the period during which the lien is enforceable. *A notice of lien may be renewed by the commissioner before the expiration of the ten-year period for an additional ten years. The taxpayer must be mailed a copy of the renewal.*

Sec. 12. Minnesota Statutes 1984, section 270.69, is amended by adding a subdivision to read:

Subd. 10. [LIMITATION FOR HOMESTEAD PROPERTY.] *A lien imposed under this section upon property defined as homestead property in chapter 510 may not be enforced against homestead property by levy under section 270.70, or by judgment lien under chapter 550.*

Sec. 13. Minnesota Statutes 1984, section 270.72, subdivision 1, is amended to read:

Subdivision 1. [TAX CLEARANCE REQUIRED.] The state or a political subdivision of the state may not issue, transfer, or renew a license for the conduct of a profession, trade, or business, if the commissioner notifies the licensing authority that the applicant owes the state delinquent taxes, penalties, or interest. The commissioner may not notify the licensing authority unless the applicant taxpayer owes (\$1,000)

\$500 or more in delinquent taxes. A licensing authority that has received a notice from the commissioner may issue, *transfer*, or renew the applicant's license only if (a) the commissioner issues a tax clearance certificate and (b) the commissioner or the applicant forwards a copy of the clearance to the authority. The commissioner may issue a clearance certificate only if the applicant does not owe the state any uncontested delinquent taxes, penalties, or interest.

Sec. 14. Minnesota Statutes 1984, section 270.72, subdivision 2, is amended to read:

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

(a) "Taxes" are limited to withholding tax as provided in section 290.92, sales and use tax as provided in chapter 297A, and motor vehicle excise tax as provided in chapter 297B. Penalties and interest are limited to penalties and interest due on taxes included in this definition.

(b) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.

(c) "Applicant" means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership. *"Applicant" also means an officer of a corporation or a member of a partnership who is liable for the delinquent taxes pursuant to section 270.10, subdivision 4, either for the entity for which the license is at issue or for another entity for which the liability was incurred, or personally as a licensee.*

Sec. 15. Minnesota Statutes 1984, section 270.72, subdivision 3, is amended to read:

Subd. 3. [NOTICE AND HEARING.] If the commissioner notifies a licensing authority pursuant to subdivision 1, he must send a copy of the notice to the applicant. (IN THE CASE OF THE RENEWAL OF A LICENSE) If the applicant requests, in writing, within 30 days of the (RECEIPT) *date* of the notice a hearing, a contested case hearing must be held. The hearing must be held within 45 days of the date the commissioner refers the case to the office of administrative hearings. (THE HEARING MUST BE HELD UNDER THE PROCEDURES PROVIDED BY SECTION 270A.09 AND THE ADMINISTRATIVE RULES PROMULGATED UNDER

CHAPTER 270A.) *Notwithstanding any law to the contrary, the applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the applicant. The notice may be served personally or by mail.*

Sec. 16. Minnesota Statutes 1985 Supplement, section 270.76, is amended to read:

270.76 [INTEREST ON REFUNDS.]

When any tax payable to the commissioner of revenue or to the department of revenue is overpaid and an amount is due the taxpayer as a refund of the overpayment, the overpayment shall bear interest from the date of payment of the tax until the date the refund is paid or credit is made, unless another period for computing interest is provided by law. The interest rate per annum on overpayments shall be (80 PERCENT OF) the interest rate contained in section 270.75, subdivision 5; the rate shall be adjusted annually and become effective as provided in section 270.75, subdivision 5 (; AND THE RESULT OF THE ADJUSTMENT IN THE RATE SHALL BE ROUNDED TO THE NEAREST FULL PERCENT). The determination of the commissioner pursuant to this subdivision is not a "rule" and is not subject to the administrative procedure act contained in chapter 14.

Sec. 17. Minnesota Statutes 1985 Supplement, section 273.124, is amended by adding a subdivision to read:

Subd. 13. [SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.] Beginning with the January 2, 1987 assessment, every property owner applying for homestead classification must furnish to the county assessor that owner's social security number. 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.

At the request of the commissioner, each county must give the commissioner a listing that includes the name and social security number of each property owner applying for homestead classification.

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 credit that had been improperly allowed. A penalty equal to 25 percent of the homestead credit is imposed on a property owner who claims a homestead credit on property which is not a homestead. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead credit plus a penalty equal to 25 percent of the homestead credit. 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 credit and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead credit recovered from the property owner must be transmitted to the commissioner by the end of each month. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. 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.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 18. Minnesota Statutes 1984, section 290.53, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO MAKE AND FILE RETURN.] 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 or subtracted from the refund in lieu of the penalty provided in subdivision 1: ten percent of the amount of tax unpaid 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; or ten percent of the amount of the refund claimed if the failure is for more than 60 but less than 90 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.

In addition to the penalty imposed above, in the case of a failure to file a return of tax imposed by this chapter within 60 days of the date prescribed for filing of the return (determined with regard to any extensions of time for filing), (WHERE THE RETURN HAS BEEN DEMANDED BY THE COMMISSIONER UNDER THE PROVISIONS OF SECTION 290.47, THE AMOUNT) there shall be added to the tax (UNDER THIS SUBDIVISION SHALL NOT BE LESS THAN) or subtracted from the refund the lesser of (\$50) (i) \$100 or (ii) 100 percent of either the amount (REQUIRED TO BE SHOWN AS THE AMOUNT) of tax which is due (WITH THE RETURN) or the amount of the refund.

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 the 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. 19. Minnesota Statutes 1984, section 290.61, is amended to read:

290.61 [PUBLICITY OF RETURNS, INFORMATION.]

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars set forth or disclosed in any report or return required by this chapter, or any information concerning, the taxpayer's affairs acquired from his or its records, officers, or employees while examining or auditing any taxpayer's liability for taxes imposed hereunder, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such return or to comply with the provisions of sections 256.978, 268.12, subdivision 12, 270A.11, 273.1314, subdivision 16, 290.612 and 302A.821. The commissioner may furnish a copy of any taxpayer's return, including audit documents and information, to any official of the United States or of any state having duties to perform in respect to the assessment or collection of any tax imposed upon or measured by income, if such taxpayer is required by the laws of the United States or of such state to make a return therein. Prior to the release of any information to any official of the United States or any other state under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he

will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected under the laws of the state of Minnesota. The commissioner and all other public officials and employees shall keep and maintain the same secrecy in respect to any information furnished by any department, commission, or official of the United States or of any other state in respect to the income of any person as is required by this section in respect to information concerning the affairs of taxpayers under this chapter. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the items thereof. Upon request of a majority of the members of the senate tax committee or of the house tax committee or the tax study commission, the commissioner shall furnish abstracted financial information to those committees for research purposes from returns or reports filed pursuant to this chapter, provided that he shall not disclose the name, address, social security number, business identification number or any other item of information associated with any return or report which the commissioner believes is likely to identify the taxpayer. The commissioner shall not furnish the actual return, or a portion thereof, or a reproduction or copy of any return or portion thereof. "Abstracted financial information" means only the dollar amounts set forth on each line on the form including the filing status.

Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

In order to locate the named payee on state warrants issued pursuant to this chapter or chapter 290A and undeliverable by the United States postal service, the commissioner may publish in any newspaper of general circulation in this state or make available to radio or television stations a list of the name and last known address of the payee as shown on the reports or returns filed with the commissioner. The commissioner may exclude the names of payees whose refunds are in an amount which is less than a minimal amount to be determined by the commissioner. The list shall not contain any particulars set forth on any report or return. The publication or announcement shall include instructions on claiming the warrants.

An employee of the department of revenue may, in connection with his official duties relating to any audit, collection activity, or civil or criminal tax investigation or any other offense under this chapter, disclose return information to the extent that such disclosure is necessary in obtaining information, which is not otherwise reasonably available, with respect to the correct determination of tax, liability for tax, or the amount to be collected or with respect to the enforcement of any other provision of this chapter.

In order to facilitate processing of returns and payments of taxes required by this chapter, or to facilitate the develop-

ment, implementation, and use of computer programs and automated procedures for purposes of administering this chapter or chapter 290A, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed will be administered by the vendor consistent with this section, and the vendor must agree to subject himself and his employees to the civil and criminal penalties provided by law for unlawful disclosure.

Information from a tax return required under this chapter on a holder of a license issued by the Minnesota racing commission or an owner of a horse may be provided by the commissioner to the Minnesota racing commission.

The commissioner may provide to the Minnesota supreme court and the board of professional responsibility information regarding the amount of any uncontested delinquent taxes due under this chapter or a failure to file a return due under this chapter by an attorney admitted to practice law in this state under chapter 481.

Sec. 20. Minnesota Statutes 1984, section 297A.01, subdivision 9, is amended to read:

Subd. 9. "Gross receipts" means the total amount received, in money or otherwise, for all sales at retail and all sales by wholesalers of intoxicating liquor, as defined in section 340A.101, subdivision 28, as measured by the sales price. Gross receipts from sales may, at the option of the taxpayer, be reported on the cash basis as the consideration is received or on the accrual basis as sales are made.

Sec. 21. Minnesota Statutes 1984, section 297A.02, is amended by adding a subdivision to read:

Subd. 5. [WHOLESALEERS OF INTOXICATING LIQUOR.] Notwithstanding the provisions of subdivision 1, a tax is imposed in the amount of 14.6 percent on the gross receipts from the sales of intoxicating liquor, as defined in section 340A.101, subdivision 14, by any wholesaler, as defined in section 340A.101, subdivision 28, to any on-sale or off-sale municipal liquor store or other establishment licensed to sell any type of intoxicating liquor. Notwithstanding the provisions of this section, the tax for the month of July, 1986, shall be computed using the average gross receipts of the wholesaler from the sale of intoxicating liquor during the months of May, June, and July, 1986.

Sec. 22. Minnesota Statutes 1984, section 297A.03, subdivision 2, is amended to read:

Subd. 2. It shall be unlawful for any retailer or any wholesaler of intoxicating liquor to advertise or hold out or state to the public or any customer, directly or indirectly, that the

tax or any part thereof will be assumed or absorbed by the retailer or any wholesaler of intoxicating liquor, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax if one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is eight cents or less, no tax shall be collected. Any person violating this provision shall be guilty of a misdemeanor.

Sec. 23. [297A.031] [INTOXICATING LIQUOR WHOLESALEERS.]

Subdivision 1. Every wholesaler of intoxicating liquor subject to the provisions of section 297A.02, subdivision 5, shall file with the commissioner an application for a permit as provided in section 297A.04.

Subd. 2. Every wholesaler required to collect the tax imposed by section 297A.02, subdivision 5, shall keep records of every charge and all amounts paid, charged, or due thereon and the tax payable thereon, in such form as the commissioner may require. Records must include a true copy of each invoice, receipt, statement, or memorandum upon which a tax was required to be collected.

Subd. 3. The tax imposed by section 297A.02, subdivision 5, which is to be reported and paid to the commissioner, is subject to all penalty, interest, and enforcement provisions of this chapter.

Sec. 24. Minnesota Statutes 1984, 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 or acting as a wholesaler of intoxicating liquor 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 his 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 297A.27, subdivision 2, to file application for a permit. Every application for a permit shall be made upon a form pre-

scribed by the commissioner and shall set forth the name under which the applicant intends to transact business, the location of his 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 an association or partnership; by a person authorized to sign the application, if the owner be a corporation.

Sec. 25. Minnesota Statutes 1984, section 297A.08, is amended to read:

297A.08 [SALES WITHOUT PERMITS, VIOLATIONS.]

A person who engages in the business of making retail sales *or acts as a wholesaler of intoxicating liquor* in Minnesota without the required permit or permits, and each officer of any corporation which so engages in business, is guilty of a gross misdemeanor.

Any person who engages in the business of making retail sales *or acts as a wholesaler of intoxicating liquor* in Minnesota after revocation of the permit under section 297A.07, and each officer of any corporation which so engages in business, when the commissioner has not issued a new permit, is guilty of a felony.

Sec. 26. Minnesota Statutes 1984, section 297A.18, is amended to read:

297A.18 [ADVERTISING NO TAX; MINIMUM TAX.]

It shall be unlawful for any retailer *or wholesaler of intoxicating liquor* to advertise or hold out or state to the public or to any customer, directly or indirectly, that the use tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax of one-half cent or more may be considered an additional cent.

Sec. 27. [297A.258] [EXEMPTION FOR INTOXICATING LIQUOR.]

Notwithstanding the provisions of this chapter, all sales at retail of intoxicating liquor, as defined in section 340A.101, subdivision 14, are exempt from the tax imposed in section 297A.02, subdivision 1.

Sec. 28. Minnesota Statutes 1984, section 297A.27, subdivision 1, is amended to read:

Subdivision 1. Except as provided in section 297A.275, on or before the 25th day of each month in which taxes imposed by sections 297A.01 to 297A.44 are payable, a return for the preceding reporting period shall be filed with the commissioner in such form as the commissioner may prescribe, verified by a written declaration that it is made under the criminal penalties for wilfully making a false return, and in addition shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid. Any person making sales at retail or acting as a wholesaler of intoxicating liquor at two or more places of business may file a consolidated return subject to such regulations as the commissioner may prescribe.

Sec. 29. Minnesota Statutes 1984, section 297A.275, is amended to read:

297A.275 [ACCELERATED PAYMENT OF JUNE LIABILITY.]

Every vendor, *except a wholesaler of intoxicating liquor*, having a liability of \$1,500 or more in May 1982 or in May of each subsequent year, shall remit the June liability in the manner required by this section.

On or before June 25, 1982, or June 25 of each subsequent year, the vendor shall remit the actual May liability and one-half of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

On or before August 25, 1982, or August 25 of each subsequent year, the vendor 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 percent of the actual June liability, or (b) 50 percent of the preceding May's liability.

Sec. 30. Minnesota Statutes 1984, section 297A.28, is amended to read:

297A.28 [SECURITY.]

Whenever he deems it necessary to insure compliance with sections 297A.01 to 297A.44 the commissioner may require a retailer or a wholesaler of intoxicating liquor subject thereto to deposit with him security in such form and in such amount as he may determine but not more than twice the estimated average liability for the period for which the returns are required to be filed, or \$10,000, whichever amount is the lesser. The amount of security may be increased or decreased by the commissioner,

subject to the limitations herein provided. The commissioner may sell property deposited as security at public auction if necessary in order to recover any tax or any amount required to be collected, including interest and penalties, if any. Notice of the sale must be served upon the person who deposited the security personally, or by mail in the manner hereinafter prescribed for the service of a notice of a deficiency. After any sale any surplus above the amount due not required as security under this section shall be returned to the person who deposited the security. In lieu of security, the commissioner may require a retailer or a *wholesaler of intoxicating liquor* to file a bond, issued by a surety company authorized to transact business in this state and approved by the commissioner of commerce as to solvency and responsibility.

Sec. 31. Minnesota Statutes 1984, section 297A.43, is amended to read:

297A.43 [CONFIDENTIAL NATURE OF INFORMATION.]

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars disclosed in any report or return required by sections 297A.01 to 297A.44, or any information concerning the affairs of the person making the return acquired from his records, officers, or employees while examining or auditing under the authority of sections 297A.01 to 297A.44, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such report or return or to comply with the provisions of section 297A.431 or where a question arises as to the proper tax applicable, that is, sales or use tax. In the latter instance, the commissioner may furnish information to a buyer and a seller with respect to the specific transaction in question. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the contents thereof. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

The commissioner may enter into an agreement with the commissioner or other taxing officials of another state for the interpretation and administration of the acts of their several states providing for the collection of a sales and/or use tax for the purpose of promoting fair and equitable administration of such acts and to eliminate double taxation.

Notwithstanding the above provisions of this section, the commissioner, at his discretion, in order to implement the purposes of this chapter, may furnish information on a reciprocal basis to the taxing officials of another state, or to the taxing officials of any municipality of the state of Minnesota which has a local sales and/or use tax.

The commissioner may furnish to the Minnesota supreme court and the board of professional responsibility information regarding the amount of any uncontested delinquent taxes due under this chapter or a failure to file a return due under this chapter by an attorney admitted to practice law in this state under chapter 481.

In order to facilitate processing of returns and payments of taxes required by this chapter, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed will be administered by the vendor consistent with this section.

Sec. 32. Minnesota Statutes 1984, section 326.20, is amended by adding a subdivision to read:

Subd. 4. [TAX CLEARANCE CERTIFICATE.] (a) Notwithstanding subdivisions 1 and 2, the board may not issue or renew a license under sections 326.165 to 326.231 if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) When a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) *The board shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.*

Sec. 33. [340A.318] [CREDIT EXTENSIONS RESTRICTED.]

Subdivision 1. [RESTRICTION.] Except as provided in this section, no retail licensee may accept or receive credit, other than merchandising credit in the ordinary course of business for a period not to exceed 30 days, from a distiller, manufacturer, or wholesaler of distilled spirits or wine, or agent or employee thereof. No distiller, manufacturer or wholesaler may extend the prohibited credit to a retail licensee. No retail licensee delinquent beyond the 30 day period shall solicit, accept or receive credit or purchase or acquire distilled spirits or wine directly or indirectly, and no distiller, manufacturer or wholesaler shall knowingly grant or extend credit nor sell, furnish or supply distilled spirits or wine to a retail licensee who has been posted delinquent under subdivision 3. No right of action shall exist for the collection of any claim based upon credit extended contrary to the provisions of this section.

Subd. 2. [REPORTING.] Every distiller, manufacturer or wholesaler selling to retailers shall submit to the commissioner in triplicate not later than Thursday of each calendar week a verified list of the names and addresses of each retail licensee purchasing distilled spirits or wine from that distiller, manufacturer or wholesaler who, on the first day of that calendar week, was delinquent beyond the 30 day period, or a verified statement that no delinquencies exist which are required to be reported. If a retail licensee previously reported as delinquent cures the delinquency by payment, the name and address of that licensee shall be submitted in triplicate to the commissioner not later than the close of the second full business day following the day the delinquency was cured.

Subd. 3. [POSTING; NOTICE.] Verified lists or statements required by subdivision 2 shall be posted by the commissioner in offices of the department in places available for public inspection and mailed to each licensed wholesaler not later than the day following receipt. Documents so posted and mailed shall constitute notice to every distiller, manufacturer or wholesaler of the information posted. Actual notice, however received, also constitutes notice.

Subd. 4. [MISCELLANEOUS PROVISIONS.] The 30 day merchandising period allowed by this section shall commence with the day immediately following the date of invoice and shall include all successive days, including Sundays and holidays, to and including the 30th successive day. In addition to other legal methods, payment by check during the period for which merchandising credit may be extended shall be considered payment. All checks received in payment for distilled spirits or wine shall be deposited promptly for collection. A postdated check or a check dishonored on presentation for payment does not constitute payment. A retail licensee shall not be deemed delinquent for any alleged sale in any instance where there exists a bona fide dispute between the licensee and the distiller, manufacturer or wholesaler as to the amount owing as a result of the alleged sale. A delinquent retail licensee who engages in the retail liquor business at two or more locations shall be deemed to be delinquent with respect to each location.

Subd. 5. [LICENSE SUSPENSION OR REVOCATION.] The license of any retail licensee, distiller, manufacturer or wholesaler violating any provision of this section shall be subject to suspension or revocation in the manner provided by this chapter.

Sec. 34. [REPEALER.]

(a) Minnesota Statutes 1984, section 270.72, subdivision 5, is repealed. Notwithstanding Minnesota Statutes, section 645.36, section 270.72, subdivisions 1 to 4 remain in effect without interruption.

(b) Minnesota Statutes 1984, section 297A.02, subdivision 3, is repealed.

Sec. 35. [EFFECTIVE DATES.]

Sections 8 to 15 are effective July 1, 1986. Section 16 is effective for interest earned on overpayments after December 31, 1987. Section 18 is effective for taxable years beginning after December 31, 1985. Sections 1 to 7, 19, 31, 32, and 34, paragraph (a), are effective the day following final enactment. Sections 20 to 26 and 28 to 30 are effective for all sales on or after July 1, 1986. Sections 27 and 34, paragraph (b) are effective for all sales on or after August 1, 1986.

ARTICLE 5

PROPERTY TAX REFUND

Section 1. [1987 COMMERCIAL-INDUSTRIAL PROPERTY TAX REFUND.]

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

(1) "eligible property" means property with respect to which there are no delinquent taxes and which are classified in Minnesota Statutes, section 273.13, subdivisions 24 and 27 as follows:

(i) class 3a commercial and industrial property, excluding state assessed commercial and industrial property;

(ii) class 3b employment property; and

(iii) class 6a seasonal recreational commercial property;

(2) "net property taxes" means the gross tax exclusive of special assessments, penalties, and interest, less (i) any state paid credits; (ii) any tax attributable to improvements made to the property since the January 2, 1985, assessment; and (iii) in the case of property in which only a portion of the parcel is eligible property, any property taxes which are attributable to the portion of the parcel which is not eligible property or are "property taxes payable" under section 290A.03, subdivision 13;

(3) "effective tax rate" means the net property taxes payable by the claimant in 1987, divided by the assessor's estimated market value of the property on the January 2, 1986, assessment; and

(4) "claimant" means an owner of eligible property. In the case of eligible property leased to tenants under a "net" lease in which the lessee is responsible for payment of all or a portion of the property taxes payable on the leased property, the owner of the property must file the claim allowed under this section. Payment to the owner under this section must be apportioned by the owner among the lessees in the ratio that the lessee's portion of the rent under the lease bears to the rent payable on the entire parcel and must be paid to the lessee or deducted from any payments due to the lessor by the lessee before October 15, 1987 or within ten working days after receipt of the payment, whichever is later.

Subd. 2. [REFUND ALLOWED.] The commissioner of revenue shall pay a property tax refund for property taxes payable in 1987 on eligible property, if the following conditions are met:

(1) the net property taxes payable on the property in 1987 exceed 105 percent of the taxes payable on that property in 1986; and

(2) the effective tax rate on the property exceeds four percent.

Subd. 3. [AMOUNT OF REFUND.] The amount of the refund is equal to one-half of the amount by which the increase in net property taxes payable on the property in 1987 over those payable in 1986 exceeds five percent.

Subd. 4. [FILING AND PAYMENT DATES.] (a) Claims must be filed with the department of revenue on or before August 15, 1987, on forms prepared by the commissioner of revenue. The provisions of Minnesota Statutes, section 290A.06, relating to the extension of time to file, reduction of the claim for late filing, and other time limits, apply to claims filed under this section. The claim must include a property tax statement issued by the county treasurer showing the classification of the property, amount of property taxes payable, name and address of the owner, and an indication that there are no delinquent property taxes on the property.

(b) Claims must be paid by the commissioner of revenue prior to September 30, 1987. Interest must be added at the rate specified in section 270.76, from September 30, 1987, until the day the claim is paid.

Subd. 5. [APPLICABILITY.] The provisions of Minnesota Statutes, sections 290A.11 to 290A.18, including the penalties imposed on tax return preparers under section 290A.112, apply to claims for refund under this section.

Subd. 6. [APPROPRIATION.] There is appropriated to the commissioner of revenue the amount necessary to make the payments required by this section in fiscal years 1988 and 1989.

Sec. 2. [EFFECTIVE DATE.] Section 1 is effective for claims based on property taxes payable in 1987 only.

ARTICLE 6

FUND TRANSFERS

Section 1. Minnesota Statutes 1984, section 297B.09, subdivision 2, is amended to read:

Subd. 2. [HIGHWAY USER TAX DISTRIBUTION FUND AND TRANSIT ASSISTANCE FUND SHARE.] The proceeds collected under this chapter must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment in the following manner:

(a) None of the proceeds collected before July 1, 1984, or between July 1, 1985, and June 30, 1987, may be credited to either fund.

(b) 18.75 percent of the proceeds collected after June 30, 1984, and before July 1, (1987) 1985, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 6.25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(c) 37.5 percent of the proceeds collected after June 30, 1987, and before July 1, 1989, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 12.5 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(d) 56.25 percent of the proceeds collected after June 30, 1989, and before July 1, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 18.75 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(e) 75 percent of the proceeds collected after June 30, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

Sec. 2. [MOTOR VEHICLE EXCISE TAX TRANSFER.]

Notwithstanding any law to the contrary, tax proceeds under chapter 297B and the investment earnings on those proceeds credited to the highway user tax distribution fund and the transit assistance fund for the period after June 30, 1985, and before July 1, 1986, must be returned to the general fund on June 30, 1986.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1986. Section 2 is effective June 30, 1986."

Delete the title and insert:

"A bill for an act relating to the financing of government in this state; clarifying the income tax exclusion of income on the sale of certain agricultural property; repealing the suspen-

sion of inflation adjustment; authorizing the commissioner of revenue to pay the cost of collection agencies; changing the payment of fees for recording certain liens; removing the homestead exemption from liens; increasing the filing fee for certain liens; authorizing the renewal of liens; limiting the enforcement of liens on homesteads; changing the interest rate paid on refunds; increasing penalties for failure to file income tax returns; requiring tax clearance certificates prior to issuing or renewing business or professional licenses and removing the sunset; requiring the furnishing of certain information to the supreme court or the board of professional responsibility; requiring social security numbers on homestead applications; providing a sales tax on intoxicating liquor at the wholesale level; providing a property tax refund for certain commercial industrial property taxes for 1987 only; providing for the deposit of certain motor vehicle excise tax proceeds in the general fund; transferring funds from the highway user tax distribution fund and the transit assistance fund to the general fund; regulating the extension of credit to retail liquor licensees; setting local government aids for 1987; changing the payment dates for homestead credit reimbursements and local government aids; prescribing requirements for the sales ratio study used by the state board of equalization; extending the property tax payment date by 30 days in the case of certain agricultural property; changing property tax distribution and settlement; changing the special homestead classification for certain disabled persons; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 60A.17, by adding a subdivision; 82.22, subdivision 3; 82.27, by adding a subdivision; 124.195, subdivision 5; 148.10, by adding a subdivision; 150A.08, by adding a subdivision; 270.12, subdivision 2; 270.69, by adding a subdivision; 270.72, subdivisions 1, 2, and 3; 276.09; 276.10; 276.11; 278.03; 279.01; 290.53, subdivision 2; 290.61; 297A.01, subdivision 9; 297A.02, by adding a subdivision; 297A.03, subdivision 2; 297A.04; 297A.08; 297A.18; 297A.27, subdivision 1; 297A.-275; 297A.28; 297A.43; 297B.09; 326.20, by adding a subdivision; and 477A.015; Minnesota Statutes 1985 Supplement, sections 60A.17, subdivision 1a; 147.021, by adding a subdivision; 270.063; 270.69, subdivisions 2, 3, and 4; 270.76; 273.124, by adding a subdivision; 273.13, subdivisions 15a, and 22; 278.05, subdivision 5; 290.491; 477A.011, subdivisions 10 and 12; 477A.-012; 477A.013; proposing coding for new law in Minnesota Statutes, chapters 276; 297A; and 340A; repealing Minnesota Statutes 1984, sections 270.72, subdivisions 1 and 5; 297A.02, subdivision 3; 645.36; and Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2f."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 2122, A bill for an act relating to agriculture; reactivating the agricultural data collection task force; declaring certain data of the task force to be "not public data"; appropriating money; amending Laws 1985, chapter 19, section 2, subdivisions 2 and 6, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 136C.13, is amended by adding a subdivision to read:

Subd. 5. [RETRAINING EXEMPTION.] A qualifying displaced farmer who is a Minnesota resident is exempted from any or all tuition in designated vocational education programs. "Qualifying displaced farmer" for the purposes of this subdivision means a person who meets the criteria of a dislocated farmer or member of a dislocated farm family as established by the state board. Qualification criteria for waived tuition must be fully coordinated with the availability of grants through the higher education coordinating board and section 302(a) of the Jobs Training Partnership Act.

Sec. 2. [REACTIVATION OF AGRICULTURAL DATA TASK FORCE.]

The agricultural data collection task force created by Laws 1985, chapter 19, is reactivated.

Sec. 3. Laws 1985, chapter 19, section 2, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The duties of the data collection task force are to:

(1) (DEVELOP A) *continue the uniform procedure for collecting data on the financial status of agriculture in Minnesota; and*

(2) (OVERSEE THE IMPLEMENTATION OF THE FARM CRISIS INTERVENTION ACT: AND)

((3)) report the results of the program to the legislature no later than December 31, (1985) 1986.

Sec. 4. Laws 1985, chapter 19, section 2, is amended by adding a subdivision to read:

Subd. 3a. [INFORMATION HELD BY TASK FORCE "NOT PUBLIC DATA" UNTIL RELEASED.] All information

gathered by or for the task force or processed by staff and provided to the task force is "not public data" as defined in section 13.02, subdivision 8a, until released by majority vote of the members of the task force.

Sec. 5. Laws 1985, chapter 19, section 2, subdivision 6, is amended to read:

Subd. 6. [EXPIRATION.] *The data collection task force (SHALL CEASE TO EXIST WITHIN TEN DAYS OF SUBMITTING ITS REPORT) expires January 15, 1987, or 15 days after reporting to the legislature whichever date comes later, but in no circumstance later than March 1, 1987.*

Sec. 6. [APPROPRIATION.]

Subdivision 1. [DATA COLLECTION TASK FORCE.] *There is appropriated from the general fund to the legislative advisory committee \$25,000 for purposes of funding the activities of the agricultural data collection task force between the effective date of this act and March 15, 1987.*

Subd. 2. [AVTI TUITION SUPPLEMENT.] *There is appropriated from the general fund to the state board of vocational technical education \$1,520,000 for services as follows:*

- | | |
|---|------------------------|
| <i>(1) Reduced tuition costs for existing farm business management and small business management programs</i> | <i>..... \$600,000</i> |
| <i>(2) Farm management programs</i> | <i>..... \$270,000</i> |
| <i>(3) Tuition grants for displaced farmers</i> | <i>..... \$500,000</i> |
| <i>(4) Economic crisis workshops in agricultural marketing, cost control, and financial planning</i> | <i>..... \$150,000</i> |

Subd. 3. [AGRICULTURAL EXTENSION SERVICE PROJECTS.] *\$1,485,000 is appropriated from the general fund to the board of regents of the University of Minnesota for the following agricultural extension service projects: voluntary mediation training, project support program, farm financial management program, family financial and stress management education, community economy development education, and forest products marketing.*

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment, and appointments to the task force must be made within 30 days after the effective date."

Delete the title and insert:

"A bill for an act relating to agriculture; collecting agricultural economic data; reactivating the agricultural data collection task force; providing tuition supplements; declaring certain data of the task force to be not public data; appropriating money; amending Minnesota Statutes 1984, sections 136C.13, by adding a subdivision; Laws 1985, chapter 19, section 2, subdivisions 2, 6, and by adding a subdivision."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

S. F. No. 31, A bill for an act relating to motorboat safety; requiring liability insurance on watercraft; strengthening prohibitions and penalties regarding operation of motorboat while under the influence of alcohol or a controlled substance; providing a penalty; amending Minnesota Statutes 1984, sections 361.02, subdivision 9; 361.03, by adding subdivisions; and 361.12; proposing coding for new law in Minnesota Statutes, chapter 361.

Reported the same back with the following amendments:

Page 1, line 17, delete "6" and insert "3"

Page 1, line 17, delete "and" and insert "or"

Page 1, lines 17 and 18, delete "*motorboat of 16 horsepower or more*" and insert "*watercraft*"

Page 1, line 19, after "*anchored,*" insert "or"

Page 1, line 19, delete everything after "*beached*"

Page 1, line 20, delete "*turned off*"

Pages 1 and 2, delete sections 2 to 4

Page 2, line 27, reinstate the stricken "*watercraft*"

Page 2, line 28, delete "*motorboat*"

Page 3, line 1, reinstate the stricken "*watercraft*" and delete "*motorboat*"

Page 3, line 4, after the stricken "such" insert "*the*" and reinstate the stricken "*watercraft*"

Page 3, lines 4 and 5, delete "*the motorboat*"

Page 3, line 7, reinstate the stricken "*watercraft*" and delete "*motorboat*"

Page 3, line 9, after the stricken "such" insert "*the*" and reinstate the stricken "*watercraft*"

Page 3, lines 9 and 10, delete "*the motorboat*"

Page 3, line 10, after the stricken "such" insert "*the*" and reinstate the stricken "*watercraft*"

Page 3, line 10, delete "*the motorboat*"

Page 3, line 19, after "*in*" insert "*death,*" and after "*injury*" insert a comma

Page 3, line 23, delete "*motorboat*" and insert "*watercraft*"

Page 3, line 24, delete "*motorboat*" and insert "*watercraft*"

Page 3, lines 32, 34, and 35, delete "*6*" and insert "*3*"

Page 4, lines 1 and 21, delete "*6*" and insert "*3*"

Page 4, line 6, delete "*motorboat*" and insert "*watercraft*"

Page 5, lines 1, 3, 23, and 32, delete "*6*" and insert "*3*"

Page 5, line 4, delete "*motorboat*" and insert "*watercraft*"

Page 5, line 6, delete "*motorboat*" and insert "*watercraft*"

Page 5, line 12, delete "*motorboat*" and insert "*watercraft*"

Page 5, line 26, delete "*motorboat*" and insert "*watercraft*"

Page 5, line 27, delete the second "*6*" and insert "*3*"

Page 5, line 30, delete "*motorboat*" and insert "*watercraft*"

Page 6, line 1, delete "*motorboat*" and insert "*watercraft*"

Page 6, line 6, delete "*motorboat*" and insert "*watercraft*"

Page 6, lines 12, 16, 19, and 23, delete "5" and insert "2"

Page 6, line 15, delete "motorboat" and insert "watercraft"

Page 6, line 20, delete "motorboat" and insert "watercraft"

Page 6, line 29, delete "motorboat" and insert "watercraft"

Page 6, line 31, delete "motorboat" and insert "watercraft"

Page 6, line 33, delete "motorboat" and insert "watercraft"

Page 7, line 6, delete "motorboat" and insert "watercraft"

Page 7, line 15, delete "5" and insert "2"

Page 8, line 13, delete "5" and insert "2"

Page 9, delete line 1 and insert:

"Sections 1 to 3 are effective May 15, 1986, and apply to offenses committed on or after that date."

Renumber the sections accordingly

Amend the title as follows:

Page 1, line 2, delete "motorboat" and insert "watercraft"

Page 1, lines 2 and 3, delete "requiring liability insurance on watercraft;"

Page 1, line 4, delete "motorboat" and insert "watercraft"

Page 1, lines 7 and 8, delete "361.03, by adding subdivisions;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1635, 1730, 1762, 1819, 1820, 1850, 1853, 1860, 1886, 1940, 1969, 1978, 1984, 2035, 2044, 2081 and 2082 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 31 was read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Clark and Greenfield introduced:

H. F. No. 2211, A bill for an act relating to utilities; prohibiting certain employment by a public utilities commissioner; amending Minnesota Statutes 1984, section 216A.035.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Shaver, McKasy, Osthoff, Schreiber and Neuenschwander introduced:

H. F. No. 2212, A bill for an act relating to taxation; imposing an occupation tax on persons mining metallic minerals in this state; proposing coding for new law in Minnesota Statutes, chapter 298.

The bill was read for the first time and referred to the Committee on Taxes.

Burger introduced:

H. F. No. 2213, A bill for an act relating to public employment labor relations; defining public employer, public employee, and charitable hospital; regulating the right to organize; defining appropriate units; restricting arbitration decisions to final offers; regulating the right to strike; amending Minnesota Statutes 1984, sections 179A.03, subdivisions 14, 15, and by adding a subdivision; 179A.06, subdivision 2; 179A.09, subdivision 1; 179A.18, subdivision 1; 179A.20, subdivision 4; Minnesota Statutes 1985 Supplement, sections 179A.16, subdivision 7, and 179A.18, subdivision 3; repealing Minnesota Statutes 1984, sections 179.35; 179.36; 179.37; 179.38; and 179.39.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Burger introduced:

H. F. No. 2214, A bill for an act relating to human services; authorizing county boards to set salaries and fringe benefits for its employees; amending Minnesota Statutes 1984, section 256.012.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Burger, Kiffmeyer and McDonald introduced:

H. F. No. 2215, A bill for an act relating to crimes; authorizing imposition of the death penalty for murder in certain circumstances; providing a statutory framework, including procedures and criteria, consistent with due process for determining when the imposition of the death penalty is appropriate; providing for election of the mode of execution by the person under sentence of death; providing an administrative framework for implementing the death penalty; appropriating money; amending Minnesota Statutes 1984, sections 243.05, subdivision 1; 609.10; 609.12, subdivision 1; 609.185; 609.19; and 609.195; Minnesota Statutes 1985 Supplement, section 609.135, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 609A.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Johnson introduced:

H. F. No. 2216, A bill for an act relating to land surveying; providing for the surveying of lands by a county board; providing for the establishment of an office of county auditor or the assignment of its duties; providing a penalty; amending Minnesota Statutes 1984, sections 381.01; 381.02; 381.03; 381.04; 381.05; 381.06; 381.07; 381.08; 381.09; 381.10; 381.12; 381.13; 389.011; 389.02; 389.03; 389.04; 389.08; Minnesota Statutes 1985 Supplement, section 389.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 381; repealing Minnesota Statutes 1984, section 389.06.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Onnen introduced :

H. F. No. 2217, A bill for an act relating to crimes; allowing forfeiture of a motor vehicle when used in the offense of aggravated driving while under the influence of alcohol; amending Minnesota Statutes 1985 Supplement, sections 169.129; and 609.531, subdivisions 1 and 6.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Marsh introduced :

H. F. No. 2218, A bill for an act relating to retirement; authorizing inclusion of certain state employees in the correctional officers plan and the purchase of prior service credit; amending Minnesota Statutes 1984, section 352.91, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Hartinger introduced :

H. F. No. 2219, A bill for an act relating to children; providing for grandparents' support of children of their minor dependent children; providing a penalty; amending Minnesota Statutes 1984, sections 256B.14; 256D.15; 609.375; and Minnesota Statutes 1985 Supplement, section 256.87, subdivisions 1, 1a, and 3; proposing coding for new law in Minnesota Statutes, chapter 257.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Frederick and Jacobs introduced :

H. F. No. 2220, A bill for an act relating to intoxicating liquor; allowing municipalities to issue wine licenses to clubs; amending Minnesota Statutes 1985 Supplement, section 340A.404, subdivision 5.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Redalen, Jacobs, Ogren, Waltman and Omann introduced:

H. F. No. 2221, A bill for an act relating to utilities; changing the powers and responsibilities of the chair of the public utilities commission; requiring commissioners to file certain financial information before taking office; prohibiting commissioners and certain employees from engaging in certain activity after leaving the commission; requiring the commission to adopt a code of conduct; amending Minnesota Statutes 1984, sections 216A.035; and 216A.04; proposing coding for new law in Minnesota Statutes, chapter 216A.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Uphus, Omann and Waltman introduced:

H. F. No. 2222, A bill for an act relating to taxation; changing the date by which the second installment of property taxes on agricultural property must be paid; amending Minnesota Statutes 1984, section 279.01, subdivision 1, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Uphus and Omann introduced:

H. F. No. 2223, A bill for an act relating to agriculture; prohibiting deficiency judgments against property used in agricultural production; amending Minnesota Statutes 1984, sections 336.9-502; 580.23, subdivision 1; and 581.09; proposing coding for new law in Minnesota Statutes, chapters 580 and 582.

The bill was read for the first time and referred to the Committee on Agriculture.

McDonald, Dimler, Erickson, Sviggum and Dempsey introduced:

H. F. No. 2224, A bill for an act relating to taxation; property; removing the school district basic maintenance levy from agricultural land and buildings; reducing the agricultural school tax credit on certain property; providing a separate calculation of adjusted assessed value for the basic maintenance levy; changing

the assessment ratio on certain agricultural homestead property; amending Minnesota Statutes 1984, sections 124.2131, subdivisions 1 and 2; 124A.02, subdivision 5, and by adding a subdivision; 124A.03, subdivision 1; 275.07, by adding a subdivision; and 275.28, subdivision 1; Minnesota Statutes 1985 Supplement, sections 124.2137, subdivision 1; 124A.02, subdivisions 7 and 8; 124A.03, subdivision 1a; 273.13, subdivision 23; repealing Minnesota Statutes 1984, section 124.2131, subdivision 4.

The bill was read for the first time and referred to the Committee on Taxes.

Schafer, Quist, Waltman and Schreiber introduced:

H. F. No. 2225, A bill for an act relating to taxation; property; removing the school district basic maintenance levy from agricultural land and buildings; reducing the agricultural school tax credit on certain property; providing a separate calculation of adjusted assessed value for the basic maintenance levy; changing the assessment ratio on certain agricultural homestead property; amending Minnesota Statutes 1984, sections 124.2131, subdivisions 1 and 2; 124A.02, subdivision 5, and by adding a subdivision; 124A.03, subdivision 1; 275.07, by adding a subdivision; and 275.28, subdivision 1; Minnesota Statutes 1985 Supplement, sections 124.2137, subdivision 1; 124A.02, subdivisions 7 and 8; 124A.03, subdivision 1a; 273.13, subdivision 23; repealing Minnesota Statutes 1984, section 124.2131, subdivision 4.

The bill was read for the first time and referred to the Committee on Taxes.

Pappas, Rest, Vanasek and McLaughlin introduced:

H. F. No. 2226, A bill for an act relating to probate; enacting the succession without administration provisions of the uniform probate code; proposing coding for new law in Minnesota Statutes, chapter 524.

The bill was read for the first time and referred to the Committee on Judiciary.

Pappas, Rest, Vanasek and McLaughlin introduced:

H. F. No. 2227, A bill for an act relating to probate; enacting statutory will provisions that a testator may adopt by reference; enacting the uniform statutory will act; proposing coding for new law as Minnesota Statutes, chapter 525A.

The bill was read for the first time and referred to the Committee on Judiciary.

Wenzel, McEachern, Ellingson, Scheid and Brown introduced:

H. F. No. 2228, A bill for an act relating to education; reimbursing school districts for aid lost under the post-secondary enrollment options act; appropriating money; amending Minnesota Statutes 1985 Supplement, section 123.3514, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Stanius and Bennett introduced:

H. F. No. 2229, A bill for an act relating to intoxicating liquor; authorizing the city of Vadnais Heights to issue up to five additional on-sale licenses.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Thorson and Kiffmeyer introduced:

H. F. No. 2230, A bill for an act relating to highway traffic regulations; clarifying the evidentiary use of partial alcohol concentration breath tests; amending Minnesota Statutes 1984, section 169.121, subdivision 2.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Nelson, D.; Kalis; McEachern; Voss and Welle introduced:

H. F. No. 2231, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Peterson; Tunheim; Lieder; Jennings, L., and Krueger introduced:

H. F. No. 2232, A bill for an act relating to taxation; delaying the effective date of the repeal of the residential energy credit; amending Laws 1985, First Special Session chapter 14, article 1, section 61.

The bill was read for the first time and referred to the Committee on Taxes.

Dyke and Bennett introduced:

H. F. No. 2233, A bill for an act relating to commerce; regulating electricians; amending Minnesota Statutes 1984, sections 326.01, by adding a subdivision; 326.245; 326.248; Minnesota Statutes 1985 Supplement, sections 326.01, subdivision 5; 326.242, subdivisions 1, 2, 6, and 12; 326.244, subdivisions 2 and 5; and 326.246.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Ozment and Rodosovich introduced:

H. F. No. 2234, A bill for an act relating to motor vehicles; limiting appointment of corporation as deputy motor vehicle registrar to a four-year period; providing for reappointment; amending Minnesota Statutes 1984, section 168.33, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Tjornhom introduced:

H. F. No. 2235, A bill for an act relating to driver licensing; defining bus; amending Minnesota Statutes 1984, section 171.01, subdivision 19.

The bill was read for the first time and referred to the Committee on Transportation.

Solberg introduced :

H. F. No. 2236, A bill for an act relating to the city of Grand Rapids; permitting the creation of the Central School commission.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Solberg and Begich introduced :

H. F. No. 2237, A bill for an act relating to labor; requiring political subdivisions to hire labor negotiators under the municipal contracting law; requiring negotiators' fees to be reported; amending Minnesota Statutes 1985 Supplement, section 179A.05, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 471.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Solberg and Elioff introduced :

H. F. No. 2238, A bill for an act relating to game and fish; opening date for season on certain game fish; amending Minnesota Statutes 1984, section 101.41, subdivision 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Dempsey; Becklin; Jennings, L.; Frederickson and Lieder introduced :

H. F. No. 2239, A bill for an act relating to county courts; specifying the prosecuting attorney for certain offenses; amending Minnesota Statutes 1984, section 487.25, subdivision 10.

The bill was read for the first time and referred to the Committee on Judiciary.

Sviggum introduced:

H. F. No. 2240, A bill for an act relating to unemployment compensation; requiring employees to notify an employer of change of address; regulating right to benefits; amending Minnesota Statutes 1984, section 268.09, subdivision 1; Minnesota Statutes 1985 Supplement, section 268.08, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Sviggum introduced:

H. F. No. 2241, A bill for an act relating to unemployment compensation; regulating suitable work for certain temporary employees; amending Minnesota Statutes 1984, section 268.09, subdivision 2.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Clausnitzer; Jennings, L., and Hartinger introduced:

H. F. No. 2242, A bill for an act relating to human services; providing for charges against persons wrongfully obtaining public assistance or food stamps; suspending a rule of criminal procedure under certain circumstances; providing penalties; amending Minnesota Statutes 1984, sections 256.98 and 393.07, subdivision 10.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Clausnitzer introduced:

H. F. No. 2243, A bill for an act relating to marriage dissolution and legal separation; requiring appointment of guardians ad litem in certain child custody proceedings; amending Minnesota Statutes 1984, section 518.165.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Blatz introduced:

H. F. No. 2244, A bill for an act relating to insurance; life; providing a limitation on investments of insurance companies; amending Minnesota Statutes 1984, section 61A.28, subdivision 12.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Clausnitzer and Sviggum introduced:

H. F. No. 2245, A bill for an act relating to unemployment compensation; changing the time requirement for employers to respond to claims; amending Minnesota Statutes 1984, section 268.10, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Stanius introduced:

H. F. No. 2246, A bill for an act relating to public improvements; appropriating money for a public capital improvement in the city of White Bear Lake; providing authority for its financing and maintenance.

The bill was read for the first time and referred to the Committee on Budget.

Rees, Frederick, Richter, Stanius and Frederickson introduced:

H. F. No. 2247, A bill for an act relating to civil actions; setting conditions of local government and state liability in certain actions; providing exclusions from liability; setting procedural and regulatory requirements; limiting indemnification; defining other conditions of liability; amending Minnesota Statutes 1984, sections 466.01, subdivision 1; 466.03, subdivision 4, and by adding subdivisions; 466.05; 466.07, by adding a subdivision; and 471.982, subdivision 3; amending Minnesota Statutes 1985 Supplement, section 3.736, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 466.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Kelly, Osthoff, Tomlinson, Vellenga and Pappas introduced:

H. F. No. 2248, A bill for an act relating to the city of St. Paul; permitting the imposition of an additional tax on transient lodging.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Valan, Boo and Frederick introduced:

H. F. No. 2249, A bill for an act relating to insurance; providing certain automobile assigned risk coverage for school districts and transportation contractors; amending Minnesota Statutes 1984, section 65B.06, subdivision 3.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Hartinger and Kiffmeyer introduced:

H. F. No. 2250, A bill for an act relating to crimes; providing that violations involving theft of services may be aggregated for purposes of criminal prosecution; amending Minnesota Statutes 1984, section 609.52, subdivision 3.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Hartle, Boerboom, Uphus, Waltman and Clausnitzer introduced:

H. F. No. 2251, A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; setting the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending

Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, sections 14.48; 14.51; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Shaver introduced:

H. F. No. 2252, A bill for an act relating to alcoholic beverages; authorizing issuance of on-sale and bottle club licenses for watercraft by the Lake Minnetonka conservation district.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Clark introduced:

H. F. No. 2253, A bill for an act relating to energy; clarifying the authority of a municipality to enforce certain energy efficiency standards; amending Minnesota Statutes 1984, section 116J.27, subdivisions 4 and 4a.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Shaver, Kostohryz, Rose, Metzen and Dempsey introduced:

H. F. No. 2254, A bill for an act relating to taxation; providing for certain exemptions from charitable gambling licensure and taxation; amending Minnesota Statutes 1984, section 349.214, subdivision 2, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Rose introduced:

H. F. No. 2255, A bill for an act relating to traffic regulations; authorizing commissioner of transportation to issue special permit for three-vehicle combination exceeding length and weight restrictions to travel on certain interstate highways; prescribing fees; amending Minnesota Statutes 1984, sections 169.81, subdivision 2; and 169.86, subdivision 5, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Halberg and Dempsey introduced:

H. F. No. 2256, A bill for an act relating to partnerships; revising the Uniform Limited Partnership Act; stating duties and powers of limited partners and partnerships; amending Minnesota Statutes 1984, sections 322A.01; 322A.02; 322A.05; 322A.11; 322A.12; 322A.14; 322A.15; 322A.18; 322A.24; 322A.26; 322A.27; 322A.31; 322A.32; 322A.39; 322A.40; 322A.41; 322A.45; 322A.47; 322A.49; 322A.52; 322A.58; 322A.63; and 322A.70.

The bill was read for the first time and referred to the Committee on Judiciary.

Redalen, Kostohryz, Osthoff and Schreiber introduced:

H. F. No. 2257, A bill for an act relating to horse racing; modifying certain set-asides for purses; modifying certain tax provisions; amending Minnesota Statutes 1984, section 240.15, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, section 240.13, subdivision 5.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

O'Connor, Schoenfeld, Kalis, Kiffmeyer and Tjornhom introduced:

H. F. No. 2258, A bill for an act relating to crimes; making it a felony to cause the death of or injure an unborn child; prescribing penalties; amending Minnesota Statutes 1984, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Ozment, Greenfield, Sviggum, Gruenes and Segal introduced:

H. F. No. 2259, A bill for an act relating to the office of ombudsman; expanding the authority of the ombudsman for the department of corrections to include the department of human services; amending Minnesota Statutes 1984, sections 241.41; 241.42, subdivision 2; and 241.44.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Dyke, Gruenes, Marsh, Erickson and Welle introduced:

H. F. No. 2260, A bill for an act relating to capital improvements; removing conditions for the construction of certain highway rest areas; amending Laws 1985, First Special Session chapter 15, section 9, subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Pauly introduced:

H. F. No. 2261, A bill for an act relating to political subdivisions; stating tort liability for certain property and services; amending Minnesota Statutes 1984, section 466.03, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Segal and Olsen, S., introduced:

H. F. No. 2262, A bill for an act relating to occupations and professions; modifying the membership of the board of architecture, engineering, land surveying, and landscape architecture; amending Minnesota Statutes 1984, section 326.04.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Heap and Bennett introduced :

H. F. No. 2263, A bill for an act relating to corporations; conforming to federal law; changing applicability of shareholder voting on control share acquisitions; amending Minnesota Statutes 1985 Supplement, sections 302A.449, subdivision 7; and 302A.671, subdivisions 1 and 3; repealing Laws 1985, First Special Session chapter 5, section 21.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Begich introduced :

H. F. No. 2264, A bill for an act relating to tax-forfeited lands; requiring a conveyance of tax-forfeited land in St. Louis county.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Levi, Knickerbocker, Greenfield, McPherson and Hartinger introduced :

H. F. No. 2265, A bill for an act relating to juvenile justice; providing for membership terms, removal, and filling of vacancies on the juvenile justice advisory committee; amending Minnesota Statutes 1984, section 116J.404.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Redalen introduced :

H. F. No. 2266, A bill for an act relating to financial institutions; removing loans made by the energy and economic development authority from a bank's lending limitations; amending Minnesota Statutes 1984, section 48.24, subdivision 5.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Knickerbocker, Levi, Sparby, Rodosovich and Hartinger introduced:

H. F. No. 2267, A bill for an act relating to administrative procedures; providing regulatory oversight; defining a rule; creating a legislative regulatory oversight commission; amending Minnesota Statutes 1984, section 14.39; Minnesota Statutes 1985 Supplement, sections 14.02, subdivision 4; 14.40; proposing coding for new law in Minnesota Statutes, chapter 14.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rees, McKasy, Forsythe and Brinkman introduced:

H. F. No. 2268, A bill for an act relating to insurance; authorizing and regulating the use of nonprofit risk indemnification trusts; prescribing the powers and duties of the commissioner; proposing coding for new law in Minnesota Statutes, chapter 60A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Price, Beard, Sarna, Ogren and Vanasek introduced:

H. F. No. 2269, A bill for an act relating to employment; requiring an employer to notify employees and job applicants of bankruptcy proceedings; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Piepho, Thorson, Marsh, Seaberg and Carlson, J., introduced:

H. F. No. 2270, A bill for an act relating to education; establishing archeological centers; creating an advisory board to the state archeologist; amending Minnesota Statutes 1984, section 138.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 135A.

The bill was read for the first time and referred to the Committee on Education.

Wenzel, McDonald, Richter, McEachern and Erickson introduced:

H. F. No. 2271, A bill for an act relating to agriculture; establishing a program to encourage milk consumption in schools; creating a special account in the treasury; appropriating money; proposing new law coded in Minnesota Statutes, chapter 120.

The bill was read for the first time and referred to the Committee on Agriculture.

Ogren, Beard and Olson, E., introduced:

H. F. No. 2272, A bill for an act relating to utilities; increasing salary and duties of chair of public utilities commission; prohibiting certain activities by utilities and public utility commissioners; directing commission to adopt rules of conduct; allowing rate increase settlements without a contested case hearing under certain circumstances; authorizing commission to assign mandatory filing dates for rate increases; allowing commission to suspend rate schedules for 12 or 14 months; imposing a penalty; amending Minnesota Statutes 1984, sections 216A.03, subdivisions 3, 3a, and by adding subdivisions; 216B.16, subdivisions 1a, 2, and by adding a subdivision; and 237.075, subdivisions 1a, 2, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Marsh and Miller introduced:

H. F. No. 2273, A bill for an act relating to civil actions; providing a sliding fee scale for contingent legal fees; abolishing the collateral source rule; requiring judgments to be paid in periodic installments rather than a lump sum upon request of either party; abolishing punitive damages in civil actions; placing a monetary maximum on the amount recoverable as intangible damages; abolishing the principle of joint and several liability in tort actions; amending Minnesota Statutes 1984, sections 549.09, subdivision 1; 549.20, subdivision 1; 604.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 481, 548, and 549; repealing Minnesota Statutes 1984, sections 549.20, subdivisions 2 and 3; and 604.02, subdivisions 2 and 3.

The bill was read for the first time and referred to the Committee on Judiciary.

Frerichs, Haukoos, Thorson, Wenzel and Olsen, S., introduced:

H. F. No. 2274, A bill for an act relating to education; restoring former provisions on the appointment of the commissioner; amending Minnesota Statutes 1984, section 121.16, subdivision 1.

The bill was read for the first time and referred to the Committee on Education.

McKasy and Halberg introduced:

H. F. No. 2275, A bill for an act relating to commerce; revising the Uniform Trade Secret Act; clarifying remedies; amending Minnesota Statutes 1984, sections 325C.02; 325C.03; and 325C.07; Minnesota Statutes 1985 Supplement, section 325C.01, subdivision 5.

The bill was read for the first time and referred to the Committee on Judiciary.

Onnen, Quist and Rodosovich introduced:

H. F. No. 2276, A bill for an act relating to health; authorizing use of swing beds by patients transferred from hospitals located outside of the patient's community; amending Minnesota Statutes 1985 Supplement, section 144.562, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Olsen, S.; Backlund; Neuenschwander and Fjoslien introduced:

H. F. No. 2277, A bill for an act relating to charitable gambling; changing the reporting requirements for organizations; requiring distributors to collect certain taxes; amending Minnesota Statutes 1984, sections 349.19, subdivisions 1 and 5; and 349.212, subdivision 2; Minnesota Statutes 1985 Supplement, section 349.212, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Miller introduced :

H. F. No. 2278, A bill for an act relating to the city of Redwood Falls; authorizing the city to exercise development and redevelopment powers.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Boo introduced :

H. F. No. 2279, A bill for an act relating to taxation; income; expanding eligibility for the technology transfer credit; amending Minnesota Statutes 1985 Supplement, section 290.069, subdivisions 2 and 2a.

The bill was read for the first time and referred to the Committee on Taxes.

Metzen and Fjoslien introduced :

H. F. No. 2280, A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1984, section 197.23.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Rose, Stanius, Neuenschwander and Piepho introduced :

H. F. No. 2281, A bill for an act relating to game and fish; establishing a special elk season; prescribing application for licenses, and application and license fees; appropriating money to reimburse nongame wildlife fund for elk removal; dedicating license and application fees for elk depredation; amending Minnesota Statutes 1985 Supplement, section 98.46, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 100; repealing Laws 1985, chapter 272, section 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Quist, Erickson and Nelson, K., introduced :

H. F. No. 2282, A bill for an act relating to education ; making technical changes to the definition of a school ; establishing a task force to make recommendations about compulsory attendance laws ; amending Minnesota Statutes 1984, section 120.10, subdivision 2.

The bill was read for the first time and referred to the Committee on Education.

Redalen, Jacobs, Ogren, Waltman and Omann introduced :

H. F. No. 2283, A bill for an act relating to utilities ; determining membership on public utilities commission ; prescribing terms of chair ; delineating and prohibiting conflict of interest by public utility commissioners and certain employees of the commission and department of public service ; imposing a penalty ; requiring commission to adopt a code of conduct ; amending Minnesota Statutes 1984, sections 216A.03, subdivisions 1 and 3 ; and 216A.035 ; proposing coding for new law in Minnesota Statutes, chapter 216A.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

HOUSE ADVISORIES

The following House Advisory was introduced :

Kelly, Blatz, Seaberg, Marsh and Bishop introduced :

H. A. No. 72, A proposal to study crime victim services, programs and rights.

The advisory was referred to the Committee on Crime and Family Law.

MESSAGES FROM THE SENATE

The following message was received from the Senate :

Mr. Speaker :

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted :

S. F. No. 1600.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1600, A bill for an act relating to courts; altering the responsibility for the procedure to be followed when filing a change of name with the county recorder; eliminating the limits on the amount of bond to be posted by the clerk of court; prohibiting employees of the clerk's office from practicing law in the court in which they are employed; amending Minnesota Statutes 1984, section 259.11; and Minnesota Statutes 1985 Supplement, section 485.01.

The bill was read for the first time.

Dempsey moved that S. F. No. 1600 and H. F. No. 1757, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1815, A bill for an act relating to taxation; real property; prescribing requirements of the sales ratio study used by the state board of equalization; amending Minnesota Statutes 1984, section 270.12, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 101 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Backlund	Frederick	Lieder	Peterson	Sparby
Battaglia	Frederickson	Long	Piepho	Stanius
Becklin	Frerichs	McDonald	Piper	Sviggum
Begich	Greenfield	McEachern	Poppenhagen	Thiede
Bennett	Gruenes	McPherson	Quinn	Thorson
Bishop	Gutknecht	Metzen	Quist	Tjornhom
Boerboom	Halberg	Miller	Redalen	Tomlinson
Brinkman	Hartle	Minne	Rees	Tunheim
Brown	Heap	Murphy	Rice	Uphus
Burger	Himle	Nelson, D.	Richter	Valento
Carlson, J.	Jacobs	Neuenschwander	Riveness	Vanasek
Carlson, L.	Jaros	Norton	Rose	Voss
Clark	Johnson	O'Connor	Sarna	Waltman
Cohen	Kahn	Ogren	Schafer	Welle
Dempsey	Kalis	Olsen, S.	Scheid	Wenzel
Dimler	Kelly	Onnen	Schoenfeld	Zaffke
Dyke	Kiffmeyer	Osthoff	Seaberg	Spk. Jennings, D.
Elioff	Knickerbocker	Otis	Shaver	
Ellingson	Kostohryz	Ozment	Sherman	
Fjoslien	Krueger	Pappas	Simoneau	
Forsythe	Levi	Pauly	Skoglund	

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 1185, A bill for an act relating to transportation; advertising devices; authorizing advertising on certain telephone booths; amending Minnesota Statutes 1984, section 160.27, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 107 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Backlund	Gruenes	McEachern	Piper	Sparby
Battaglia	Gutknecht	McPherson	Poppenhagen	Stanius
Becklin	Halberg	Metzen	Price	Staten
Begich	Hartle	Miller	Quinn	Sviggum
Bennett	Heap	Minne	Quist	Thiede
Brinkman	Himle	Munger	Redalen	Thorson
Brown	Jacobs	Murphy	Rees	Tjornhom
Burger	Jaros	Nelson, D.	Rest	Tomlinson
Carlson, J.	Jennings, L.	Nelson, K.	Rice	Tunheim
Carlson, L.	Johnson	Neuenschwander	Richter	Uphus
Cohen	Kahn	Norton	Riveness	Valento
Dempsey	Kalis	O'Connor	Rose	Vanasek
DenOuden	Kelly	Ogren	Sarna	Voss
Dimler	Kiffmeyer	Olsen, S.	Schafer	Waltman
Dyke	Knickerbocker	Onnen	Scheid	Welle
Elioff	Knuth	Osthott	Schoenfeld	Wenzel
Ellingson	Kostohryz	Otis	Seaberg	Wynia
Fjoslien	Krueger	Ozment	Segal	Zaffke
Frederick	Levi	Pappas	Shaver	Spk. Jennings, D.
Frederickson	Lieder	Pauly	Sherman	
Frerichs	Long	Peterson	Simoneau	
Greenfield	McDonald	Piepho	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 1664, A bill for an act relating to local government; regulating contracts for the purchase of fuel by a municipality required for generation of municipal power; amending Minnesota Statutes 1984, section 471.345, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 107 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Backlund	Begich	Brown	Cohen	Dyke
Battaglia	Bennett	Burger	Dempsey	Elioff
Beard	Bishop	Carlson, J.	DenOuden	Ellingson
Becklin	Brinkman	Carlson, L.	Dimler	Fjoslien

Forsythe	Kiffmeyer	Neuenschwander	Rees	Sviggum
Frederick	Knickerbocker	Norton	Rest	Thiede
Frederickson	Knuth	O'Connor	Rice	Thorson
Frerichs	Kostohryz	Ogren	Richter	Tjornhom
Greenfield	Krueger	Olsen, S.	Riverness	Tunheim
Gruenes	Levi	Onnen	Sarna	Uphus
Gutknecht	Lieder	Otis	Schafer	Valento
Halberg	Long	Ozment	Scheid	Vanasek
Hartle	McDonald	Pappas	Schoenfeld	Voss
Haukoos	McEachern	Pauly	Seaberg	Waltman
Heap	McPherson	Peterson	Segal	Welle
Himle	Metzen	Piepho	Shaver	Wenzel
Jacobs	Miller	Piper	Sherman	Wynia
Jaros	Minne	Poppenhagen	Simoneau	Zaffke
Jennings, L.	Munger	Price	Skoglund	Spk. Jennings, D.
Johnson	Murphy	Quinn	Sparby	
Kahn	Nelson, D.	Quist	Stanius	
Kalis	Nelson, K.	Redalen	Staten	

Those who voted in the negative were:

Osthoff

The bill was passed and its title agreed to.

H. F. No. 1844, A bill for an act relating to crimes; creating certain crimes against an unborn child; prohibiting acts which cause the death of or injury to an unborn child; imposing penalties; amending Minnesota Statutes 1984, sections 609.035; 609.18; and 609.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 106 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DenOuden	Kalis	Nelson, K.	Rees
Backlund	Dimler	Kelly	Neuenschwander	Rest
Battaglia	Dyke	Kiffmeyer	O'Connor	Rice
Beard	Elioff	Knickerbocker	Ogren	Richter
Becklin	Ellingson	Knuth	Olsen, S.	Rodosovich
Begich	Fjoslien	Kostohryz	Olson, E.	Sarna
Bennett	Forsythe	Krueger	Omann	Schafer
Bishop	Frederick	Kvam	Onnen	Scheid
Blatz	Frederickson	Levi	Osthoff	Schoenfeld
Boerboom	Frerichs	Lieder	Otis	Schreiber
Brandl	Gruenes	Marsh	Ozment	Seaberg
Brinkman	Gutknecht	McDonald	Pauly	Shaver
Brown	Halberg	McEachern	Peterson	Sherman
Burger	Hartinger	McKasy	Piepho	Sparby
Carlson, D.	Hartle	McPherson	Poppenhagen	Stanius
Carlson, J.	Himle	Metzen	Price	Sviggum
Carlson, L.	Jacobs	Miller	Quinn	Thiede
Clausnitzer	Jennings, L.	Minne	Quist	Thorson
Dempsey	Johnson	Murphy	Redalen	Tjornhom

Uphus
Valan
Valento

Vanasek
Vellenga

Voss
Waltman

Welle
Wenzel

Zaffke
Spk. Jennings, D.

Those who voted in the negative were:

Cohen
Greenfield
Jaros
Kahn

Long
McLaughlin
Munger

Norton
Pappas
Piper

Segal
Simoneau
Skoglund

Staten
Tompkins
Wynia

The bill was passed and its title agreed to.

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

MOTION TO TAKE FROM THE TABLE

Forsythe moved that S. F. No. 40 be taken from the table and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Forsythe motion and the roll was called. There were 82 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, G.
Backlund
Battaglia
Beard
Bennett
Bishop
Blatz
Brandl
Brown
Burger
Carlson, J.
Clark
Cohen
Dyke
Elioff
Ellingson
Erickson

Forsythe
Frederickson
Greenfield
Gruenes
Gutknecht
Halberg
Hartle
Haukoos
Heap
Jaros
Johnson
Kahn
Kelly
Kiffmeyer
Knickerbocker
Knuth
Levi

Long
McDonald
McKasy
McLaughlin
McPherson
Metzen
Minne
Murphy
Nelson, K.
Neuenschwander
Norton
Olsen, S.
Onnen
Osthoff
Otis
Pauly
Piepho

Price
Quist
Redalen
Rees
Rice
Riveness
Rodosovich
Rose
Sarna
Schafer
Scheid
Schreiber
Seaberg
Segal
Sherman
Simoneau
Skoglund

Staten
Sviggum
Thorson
Tjornhom
Tomlinson
Tompkins
Uphus
Valan
Vanasek
Vellenga
Waltman
Welle
Wenzel
Spk. Jennings, D.

Those who voted in the negative were:

Begich
Boerboom
Brinkman

Carlson, L.
Clausnitzer
Dempsey

DenOuden
Fjoslien
Frederick

Frerichs
Jennings, L.
Kostohryz

Krueger
Kvam
Lieder

Marsh	Ogren	Poppenhagen	Schoenfeld	Tunheim
McEachern	Olson, E.	Quinn	Sparby	Voss
Miller	Peterson	Rest	Thiede	Zaffke
O'Connor	Piper	Richter		

The motion prevailed and S. F. No. 40 was taken from the table.

S. F. No. 40 was reported to the House.

Quinn was excused for the remainder of today's session.

S. F. No. 40, A bill for an act relating to transportation; traffic regulations; defining "passenger vehicle"; requiring use of seat belts by passenger vehicle drivers and passengers; amending Minnesota Statutes 1984, sections 169.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 74 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	McLaughlin	Peterson	Seaberg
Backlund	Halberg	McPherson	Piepho	Segal
Battaglia	Hartle	Metzen	Piper	Shaver
Beard	Heap	Minne	Price	Skoglund
Bennett	Himle	Munger	Quist	Stanisus
Bishop	Jaros	Murphy	Redalen	Staten
Boo	Kahn	Nelson, D.	Rees	Sviggun
Brandl	Kalis	Nelson, K.	Rice	Thorson
Burger	Kelly	Neuenschwander	Riveness	Tomlinson
Carlson, J.	Kiffmeyer	Norton	Rodosovich	Valento
Clark	Knickerbocker	Olsen, S.	Rose	Vellenga
Cohen	Knuth	Osthoff	Sarna	Waltman
Ellingson	Long	Otis	Scheid	Welle
Forsythe	McDonald	Pappas	Schoenfeld	Wynia
Frederickson	McKasy	Pauly	Schreiber	

Those who voted in the negative were:

Anderson, R.	DenOuden	Jennings, L.	Olson, E.	Tjornhom
Becklin	Dyke	Johnson	Omann	Tompkins
Begich	Elioff	Krueger	Onnen	Tunheim
Blatz	Fjoslien	Kvam	Ozment	Valan
Boerboom	Frederick	Levi	Poppenhagen	Voss
Brinkman	Frerichs	Lieder	Rest	Wenzel
Brown	Gruenes	Marsh	Richter	Zaffke
Carlson, D.	Gutknecht	McEachern	Schafer	Spk. Jennings, D.
Carlson, L.	Hartinger	Miller	Sherman	
Clausnitzer	Haukoos	O'Connor	Sparby	
Dempsey	Jacobs	Ogren	Thiede	

The bill was passed and its title agreed to.

Blatz moved that H. F. No. 2007 be recalled from the Committee on Crime and Family Law and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Kelly moved that H. F. No. 1875 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Local and Urban Affairs. The motion prevailed.

Nelson, K., moved that H. F. No. 901 be recalled from the Committee on General Legislation and Veterans Affairs and be re-referred to the Committee on Local and Urban Affairs. The motion prevailed.

McPherson moved that S. F. No. 1574 be recalled from the Committee on Local and Urban Affairs and together with H. F. No. 1819, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Kelly moved that H. F. No. 2248 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Taxes. The motion prevailed.

Blatz moved that the names of Pappas, Hartinger, Kiffmeyer and Tjornhom be added as authors on H. F. No. 1730. The motion prevailed.

Dempsey moved that the name of Redalen be added as an author on H. F. No. 1815. The motion prevailed.

Poppenhagen moved that the name of Solberg be added as an author on H. F. No. 2043. The motion prevailed.

Solberg moved that the name of Boo be added as an author on H. F. No. 2071. The motion prevailed.

Clausnitzer moved that the name of Frederick be added as an author on H. F. No. 2089. The motion prevailed.

Wenzel moved that the name of Krueger be added as an author on H. F. No. 2090. The motion prevailed.

Boo moved that the name of Clark be added as an author on H. F. No. 2134. The motion prevailed.

Bennett moved that the names of Thorson, Backlund and Carlson, L., be added as authors on H. F. No. 2136. The motion prevailed.

Rose moved that the name of Dempsey be added as an author on H. F. No. 2138. The motion prevailed.

Ogren moved that the name of Jacobs be added as an author on H. F. No. 2147. The motion prevailed.

Boo moved that the name of Segal be added as an author on H. F. No. 2153. The motion prevailed.

Kahn moved that the name of Vellenga be added as an author on H. F. No. 2156. The motion prevailed.

Clausnitzer moved that the name of Segal be added as an author on H. F. No. 2158. The motion prevailed.

Valan moved that the name of Schafer be added as an author on H. F. No. 2173. The motion prevailed.

Heap moved that the name of Begich be added as an author on H. F. No. 2183. The motion prevailed.

Sviggum moved that the names of Burger and Cohen be added as authors on H. F. No. 2185. The motion prevailed.

ADJOURNMENT

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 20, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SEVENTY-THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 20, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Chaplain Robert Bergeson, Lutheran Social Service Staff Chaplain, St. Paul Ramsey Medical Center, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Ellingson	Krueger	Ozment	Skoglund
Anderson, R.	Erickson	Kvam	Pappas	Solberg
Backlund	Fjoslien	Levi	Pauly	Sparby
Battaglia	Forsythe	Lieder	Peterson	Stanius
Beard	Frederick	Long	Piepho	Staten
Becklin	Frederickson	Marsh	Piper	Sviggum
Begich	Frerichs	McDonald	Poppenhagen	Thiede
Bennett	Greenfield	McEachern	Price	Thorson
Bishop	Gruenes	McKasy	Quinn	Tjornhom
Blatz	Gutknecht	McLaughlin	Quist	Tomlinson
Boerboom	Halberg	McPherson	Redalen	Tompkins
Boo	Hartinger	Metzen	Rees	Tunheim
Brandl	Hartle	Miller	Rest	Uphus
Brinkman	Haukoos	Minne	Rice	Valan
Brown	Heap	Munger	Richter	Valento
Burger	Himle	Murphy	Riveness	Vanasek
Carlson, D.	Jacobs	Nelson, D.	Rodosovich	Vellenga
Carlson, J.	Jaros	Nelson, K.	Rose	Voss
Carlson, L.	Jennings, L.	Neuenschwander	Sarna	Waltman
Clark	Johnson	Norton	Schafer	Welle
Clausnitzer	Kahn	O'Connor	Scheid	Wenzel
Cohen	Kalis	Ogren	Schreiber	Wynia
Dempsey	Kelly	Olsen, S.	Seaberg	Spk. Jennings, D.
DenOuden	Kiffmeyer	Omann	Segal	
Dimler	Knickerbocker	Onnen	Shaver	
Dyke	Knuth	Osthoff	Sherman	
Elioff	Kostohryz	Otis	Simoneau	

A quorum was present.

Olson, E.; Schoenfeld and Zaffke were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Frerichs moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1635, 1730, 1762, 1819, 1853, 1860, 1940, 2044, 1820, 1886, 1978, 1984, 2035, 2081, 2082, 1850 and 1969 and S. F. Nos. 1600 and 31 have been placed in the members' files.

S. F. No. 1600 and H. F. No. 1757, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dempsey moved that S. F. No. 1600 be substituted for H. F. No. 1757 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1574 and H. F. No. 1819, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

McPherson moved that S. F. No. 1574 be substituted for H. F. No. 1819 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Forsythe from the Committee on Appropriations to which was referred:

H. F. No. 1766, A bill for an act relating to education; reducing certain education aids appropriations in fiscal year 1987; setting the formula allowance and basic maintenance mill rate amounts for the 1987-1988 school year; providing for restoration of education aids if state revenues increase; making technical corrections; amending Minnesota Statutes 1984, sections 124.32, subdivision 1c; 124A.02, subdivision 15; and 364.09; Minnesota Statutes 1985 Supplement, sections 124.225, subdivision 7b; 124.245, subdivision 1; 124A.02, subdivision 9; 124A.03, subdivision 1a; 129C.10, subdivision 5; and 298.28, subdivision 1; Laws 1985, First Special Session chapter 12, article 1, section 36, subdivision 3; article 2, section 15, subdivision 2; article 3, section 28, subdivision 10; article 4, section 11, subdivision 6; article 5, section 8; and section 10, subdivisions 2 and 4; article 6, section 28, subdivisions 11, 17, and 20; article 8, section 62, subdivisions 2, 3, 4, 6, 8, 9, 13, 14, 15, and 17; section 63, subdivisions 2 and 3; and section 64, subdivision 2; and article 9, section 3, subdivisions 2 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ELEMENTARY AND SECONDARY EDUCATION AIDS

Section 1. Minnesota Statutes 1985 Supplement, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 10.3 percent to determine the district's aid entitlement per FTE for the 1984-1985 school year, by 8.9 percent to determine the district's aid entitlement per FTE for the 1985-1986 school year, and by (6.7) 6.0 percent to determine the district's aid entitlement per FTE for the 1986-1987 school year.

Sec. 2. Minnesota Statutes 1985 Supplement, section 124.245, subdivision 1, is amended to read:

Subdivision 1. [BASIC COMPUTATION.] (a) Each year the state shall pay a school district the difference by which an amount equal to \$90 per pupil unit in that school year or, in districts where the number of actual pupil units has increased from the prior year, \$95 per pupil unit in that school year, exceeds the amount raised by seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must (HAVE LEVIED SEVEN EARC MILLS FOR USE FOR CAPITAL EXPENDITURES IN THAT YEAR) *levy* pursuant to section 275.125, subdivision 11a *for use in that year*.

(b) The aid under clause (a) for any district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program shall be computed using a dollar amount per pupil unit which is \$5 higher than the amount specified in clause (a).

(c) If the sum of a district's capital expenditure levy under section 275.125, subdivision 11a, attributable to any school year and its capital expenditure equalization aid, if any, under this subdivision for that school year exceeds \$90 per pupil unit or, in districts where the number of actual pupil units has increased from the prior year, \$95 per pupil unit, the amount of the excess may be expended only for the purpose of capital expenditures for equipment for secondary vocational education programs or senior secondary industrial arts programs.

Sec. 3. Minnesota Statutes 1984, section 124.32, subdivision 1c, is amended to read:

Subd. 1c. [FOUNDATION AID FORMULA ALLOWANCE.] For purposes of this section, "foundation aid formula allowance"

shall have the meaning attributed to it in section 124A.02, subdivision 9, and "summer school revenue allowance" shall have the meaning attributed to it in section 124.201. For the purposes of computing foundation aid formula allowances pursuant to this section, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1 (, CLAUSE (1) OR (2)).

Sec. 4. Minnesota Statutes 1985 Supplement, section 124A.02, subdivision 9, is amended to read:

Subd. 9. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. (THE FORMULA ALLOWANCE SHALL BE \$1,475 FOR THE 1983 PAYABLE 1984 LEVIES AND FOR FOUNDATION AID FOR THE 1984-1985 SCHOOL YEAR.) The formula allowance shall be \$1,585 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year. The formula allowance shall be \$1,690 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year. *The formula allowance is \$1,690 for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year.*

Sec. 5. Minnesota Statutes 1984, section 124A.02, subdivision 15, is amended to read:

Subd. 15. [PUPIL UNITS, ACTUAL.] "Actual pupil units" means pupil units identified in section 124.17, subdivision 1 (, CLAUSES (1) AND (2)).

Sec. 6. Minnesota Statutes 1985 Supplement, section 124A.03, subdivision 1a, is amended to read:

Subd. 1a. [ESTABLISHMENT OF BASIC MAINTENANCE MILL RATE.] (a) The commissioner of revenue shall establish the basic maintenance mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The established basic maintenance mill rate shall be a rate, rounded up to the nearest tenth of a mill, which when applied to the adjusted assessed valuation of taxable property for each school district under subdivision 1 or 3, as applicable, raises the total amount specified in this section.

(b) The basic maintenance mill rate for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year shall be established at a rate that raises a total of \$702,000,000. *The basic maintenance mill rate for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year shall be set at a rate that raises \$702,000,000.* The basic maintenance mill rate computed by the commissioner of revenue must not be re-

computed due to changes or corrections made in a school district's adjusted assessed valuation after the mill rate has been certified to the department of education pursuant to paragraph (a).

Sec. 7. Minnesota Statutes 1985 Supplement, section 129C.10, subdivision 5, is amended to read:

Subd. 5. [RESOURCE CENTER.] (BEGINNING IN THE 1985-1986 SCHOOL YEAR, THE RESOURCE CENTER SHALL OFFER PROGRAMS THAT ARE DIRECTED AT IMPROVING ARTS EDUCATION IN ELEMENTARY AND SECONDARY SCHOOLS THROUGHOUT THE STATE. THE PROGRAMS OFFERED SHALL INCLUDE AT LEAST SUMMER INSTITUTES OFFERED TO PUPILS IN VARIOUS REGIONS OF THE STATE, INSERVICE WORKSHOPS FOR TEACHERS, AND LEADERSHIP DEVELOPMENT PROGRAMS FOR TEACHERS.) The board shall establish a resource center advisory council composed of elementary and secondary arts educators, representatives from post-secondary educational institutions, department of education, state arts board, regional arts councils, educational cooperative service units, school district administrators, parents, and other organizations involved in arts education. The advisory council shall include representatives from a variety of arts disciplines and from various areas of the state. The advisory council shall advise the board about the activities of the center. Programs offered through the resource center shall promote and develop arts education programs offered by school districts and arts organizations and shall assist school districts and arts organizations in developing innovative programs. The board may contract with nonprofit arts organizations to provide programs through the resource center. The advisory council shall advise the board on contracts and programs related to the operation of the resource center.

Sec. 8. Minnesota Statutes 1985 Supplement, section 298.28, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION.] The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certification of the commissioner of revenue, be allocated as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," to the city or town in the county in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof

giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) (a) 12.5 cents per taxable ton, less any amount distributed under clause (7), paragraph (a), and paragraph (b) of this clause, to be distributed as provided in section 298.282.

(b) An amount annually certified by the county auditor of a county containing a taconite tax relief area within which there is an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore. The amount will be the portion of a township's certified levy equal to the proportion of (1) the difference between 50 percent of the township's January 2, 1982, assessed value and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1). The county auditor shall extend the township's levy against the sum of the township's current assessed value plus the difference between 50 percent of its January 2, 1982, assessed value and its current assessed value. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, this clause shall not apply.

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, as follows:

(a) Six cents per taxable ton 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 clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein 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 tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. For purposes of distributions

pursuant to this part, certified levies for the prior year computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2.

(c) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) 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 clause (3)(b) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988 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, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, (CLAUSES (1) AND (2),) enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1-3/4 mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of 1-3/4 mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 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 clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124A.02 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 clause (9).

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed, based upon certification by the commissioner of revenue, as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The apportionment formula prescribed in clause (1) is the basis for the distribution.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be paid to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 17.75 cents per taxable ton, less any amount required to be distributed under part (b), to St. Louis county acting as the counties' fiscal agent, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be paid to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) 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 clause 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 1988 and subsequent years according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause 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 clause 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.

(7) (a) .20 cent per taxable ton shall be paid to the range association of municipalities and schools, for the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

(b) 1.5 cents per taxable ton shall be paid to the northeast Minnesota economic protection trust fund.

(8) the amounts determined under clauses (4)(a), (4)(c), (5), and (7)(b) 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. Those amounts shall be increased in 1988 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(9) the proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in clauses (1) to (8), as certified by the commissioner of revenue, and parts (a) and (b) of this clause have been made, together with interest earned on all money distributed under this subdivision prior to distribution, 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 as follows: Two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(a) There shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake county and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake county and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(b) There shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. The commissioner of revenue shall annually on or before October 10 report an estimated distribution amount to each taxing district and the officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county or city in the year in which such estimate is made, and payable in the next ensuing calendar year, except that one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. In any calendar year in which a general property tax levy subject to sections 275.50 to 275.59 has been made, if the taxes distributable to any such county or city are greater than the amount estimated by the commissioner to be paid to any such county or city in such year, the excess of such distribution shall be held in a special fund by the county or city and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.50 to 275.59, of such county or city payable in such year. If the amounts distributable to any such county or city after final determination by the commissioner of revenue under this section are less than the amounts by which a taxing district's levies were reduced pursuant to this section, such county or city may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

Sec. 9. Minnesota Statutes 1984, section 364.09, is amended to read:

364.09 [LAW ENFORCEMENT; EXCEPTION.]

This chapter shall not apply to the practice of law enforcement (OR), to eligibility for a family day care license or a family foster care license, or to *eligibility for school bus driver endorsements*. Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board from recommending policies set forth in this chapter to the attorney general for adoption in his discretion to apply to law enforcement.

Sec. 10. Laws 1985, First Special Session chapter 12, article 1, section 36, subdivision 3, is amended to read:

Subd. 3. [SUMMER PROGRAMS.] For summer program aid pursuant to Minnesota Statutes, section 124A.033, subdivision 3, (AND FOR SUMMER INSTRUCTIONAL PROGRAM AID PURSUANT TO SECTION 124A.033, SUBDIVISION 3A,) there is appropriated:

\$7,878,600 1986,

(\$7,400,000) \$612,000 1987.

The appropriation for fiscal year 1986 is for aid for programs in summer 1985. The appropriation for fiscal year 1987 is for aid *only* for programs in summer 1986 *which are provided to pupils who are handicapped and who are appropriately served at level 4, 5, or 6 of the continuum of placement model described in state board rules.* Summer educational improvement aid shall not be paid after fiscal year 1986.

Sec. 11. Laws 1985, First Special Session chapter 12, article 2, section 15, subdivision 2, is amended to read:

Subd. 2. [TRANSPORTATION AID.] For transportation aid there is appropriated:

\$88,993,600 1986,

(\$84,587,100) \$82,638,000 1987.

(a) The appropriation for 1986 includes \$12,284,400 for aid for fiscal year 1985 payable in fiscal year 1986 and \$76,709,200 for fiscal year 1986 payable in fiscal year 1986.

(b) The appropriation for 1987 includes \$13,536,900 for aid for fiscal year 1986 payable in fiscal year 1987 and (\$71,050,200) \$69,101,100 for fiscal year 1987 payable in fiscal year 1987.

(c) The appropriations are based on aid entitlements of \$90,246,100 for fiscal year 1986 and (\$83,588,400) \$81,295,400 for fiscal year 1987.

Sec. 12. Laws 1985, First Special Session chapter 12, article 3, section 28, subdivision 10, is amended to read:

Subd. 10. [OFFICE ON TRANSITION SERVICES.] For the interagency office on transition services there is appropriated:

\$75,000 1986,

(\$85,000) \$81,000 1987.

Sec. 13. Laws 1985, First Special Session chapter 12, article 4, section 11, subdivision 6, is amended to read:

Subd. 6. [DEPARTMENT ASSISTANCE FOR EARLY CHILDHOOD FAMILY EDUCATION.] For the department to provide assistance to districts in planning, implementing, and evaluating early childhood family education programs there is appropriated:

\$35,000 1986,

(\$35,000) ~~\$33,250~~ 1987.

The department shall use the appropriation for personnel service contracts and expenses of conferences and workshops.

Sec. 14. Laws 1985, First Special Session chapter 12, article 5, section 8, is amended to read:

Sec. 8. [REPORT; 1987 LEGISLATURE.]

By February 1 of 1986 (AND 1987), the board of the school of the arts and resource center shall report to the education committees of the legislature on the activities of the board, activities of the resource center, and the planning for the school of the arts. The 1987 (REPORT SHALL INCLUDE RECOMMENDATIONS ABOUT CONTINUATION OF THE) *legislature shall examine the feasibility of funding the state school of the arts and resource center.*

Sec. 15. Laws 1985, First Special Session chapter 12, article 5, section 10, subdivision 2, is amended to read:

Subd. 2. [COMPREHENSIVE ARTS PLANNING PROGRAMS.] For comprehensive arts planning programs there is appropriated:

\$100,000 1986,

(\$100,000) ~~\$96,875~~ 1987.

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

Sec. 16. Laws 1985, First Special Session chapter 12, article 5, section 10, subdivision 4, is amended to read:

Subd. 4. [SCHOOL OF THE ARTS AND RESOURCE CENTER.] For the purpose of making a grant to the Minnesota school of the arts and resource center there is appropriated:

\$491,000 1986 (,)

(\$2,170,000 1987).

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

For fiscal (YEARS) *year* 1986 (AND 1987) a complement of 13 is authorized for the school of the arts and resource center. Of this complement, eight are in the categories of director, coordinator, and department chairs.

Sec. 17. Laws 1985, First Special Session chapter 12, article 6, section 28, subdivision 11, is amended to read:

Subd. 11. [GIFTED STUDY.] For the gifted education program study there is appropriated:

(\$35,000) \$34,125 1986.

The appropriation is available until June 30, 1987. A portion of the appropriation may be used for administrative expenses.

Sec. 18. Laws 1985, First Special Session chapter 12, article 6, section 28, subdivision 17, is amended to read:

Subd. 17. [COUNCIL ON QUALITY EDUCATION; VENTURE FUND GRANTS.] For the council on quality education venture fund grants pursuant to Minnesota Statutes, sections 129B.01 to 129B.05, there is appropriated:

\$717,700 1986,

(\$450,000) \$250,000 1987.

The appropriation for fiscal year 1986 includes \$122,400 for grants for fiscal year 1985 payable in fiscal year 1986 and \$595,-300 for grants for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$105,100 for grants for fiscal year 1986 payable in fiscal year 1987 and (\$344,900) \$144,900 for grants for fiscal year 1987 payable in fiscal year 1987.

Any unexpended balance remaining from the appropriations in this subdivision for 1986 shall not cancel and shall be available for the second year of the biennium.

The appropriations are based on entitlements of \$700,400 for fiscal year 1986 and (\$405,800) \$205,800 for fiscal year 1987.

The council may maintain a complement of up to three professionals and one clerical staff for fiscal year 1986 (AND TWO PROFESSIONALS AND ONE CLERICAL STAFF FOR FISCAL YEAR 1987).

Sec. 19. Laws 1985, First Special Session chapter 12, article 6, section 28, subdivision 20, is amended to read:

Subd. 20. [SECONDARY VOCATIONAL STUDENT ORGANIZATIONS.]

For aid for secondary vocational student organizations there is appropriated:

\$60,000 1986,

(\$60,000) \$57,000 1987.

The appropriations for fiscal years 1986 and 1987 are available for expenditure if the commissioner of education authorizes an additional \$160,000 for each of fiscal years 1986 and 1987 from the department's biennial appropriations for this purpose.

Sec. 20. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 2, is amended to read:

Subd. 2. [EDUCATIONAL EFFECTIVENESS.] For educational effectiveness programs according to sections 121.608 and 121.609 there is appropriated:

\$1,034,000 1986,

(\$781,000) \$735,625 1987.

The commissioner shall assign one additional position, from the department's existing complement, to educational effectiveness programs. The legislature intends that, beginning in fiscal year 1987, districts will pay the costs of educational effectiveness in-service for district staff.

Sec. 21. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 3, is amended to read:

Subd. 3. [ACADEMIC EXCELLENCE FOUNDATION.] For support of the academic excellence foundation according to Minnesota Statutes, section 121.612, there is appropriated:

\$89,000 1986,

(\$84,000) \$79,675 1987.

\$5,000 of the fiscal year 1986 appropriation shall be used for expenses related to the operation of the task force established in section 60, subdivision 1.

Sec. 22. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 4, is amended to read:

Subd. 4. [MANAGEMENT ASSISTANCE.] For management assistance to school districts according to section 4 there is appropriated:

\$50,0001986,

(\$50,000) \$47,5001987.

Sec. 23. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 6, is amended to read:

Subd. 6. [ASSESSMENT ITEM BANK.] For development and implementation of the assessment item bank according to Minnesota Statutes, section 123.742, subdivision 5, there is appropriated:

\$300,0001986,

(\$300,000) \$285,0001987.

Sec. 24. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 8, is amended to read:

Subd. 8. [PER ASSISTANCE.] For state assistance for planning, evaluation, and reporting, there is appropriated:

\$120,0001986,

(\$120,000) \$114,0001987.

\$50,000 each year shall be used for assisting districts with the assurance of mastery program. Up to \$50,000 each year shall be used to develop and maintain model learner expectations. Up to \$20,000 each year shall be used for the state curriculum advisory committee; a portion of this money may be for administration.

Sec. 25. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 9, is amended to read:

Subd. 9. [TECHNOLOGY SERVICES.] For the purposes of Minnesota Statutes, sections 129B.35, 129B.37, 129B.39, and 129B.40, there is appropriated:

\$649,000 1986,

(\$649,000) \$616,550 1987.

Sec. 26. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 13, is amended to read:

Subd. 13. [MASTERY LEARNING PROGRAM.] For the purposes of section 42, subdivisions 3 and 10 and section 59, there is appropriated:

\$160,000 1986,

(\$1,290,000) \$1,285,000 1987.

\$125,000 of the appropriation for fiscal year 1986 shall be used for a computerized mastery management system and support materials. The remaining \$35,000 in fiscal year 1986 shall be used for planning aid to districts under section 42, subdivision 3.

\$1,250,000 of the appropriation in fiscal year 1987 shall be used for mastery learning project grants. The remaining (\$40,000) \$35,000 for fiscal year 1987 may be used by the department to administer and evaluate the program.

Sec. 27. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 14, is amended to read:

Subd. 14. [SCHOOL MANAGEMENT ASSESSMENT CENTER.] For support of the school management assessment center at the University of Minnesota, there is appropriated:

\$25,900 1986,

(\$26,900) \$25,580 1987.

Sec. 28. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 15, is amended to read:

Subd. 15. [PROGRAMS OF EXCELLENCE.] For programs of excellence according to Minnesota Statutes, sections 126.60 to 126.64, there is appropriated:

\$25,000 1986,

(\$25,000) \$24,625 1987.

Of this amount, the following sums may be used for the purposes indicated in each year: (\$7,500) \$7,125 for program administration including expenses of the programs of excellence committee, according to Minnesota Statutes, section 126.60, sub-

division 3 and \$17,500 for incentive grants according to Minnesota Statutes, section 126.60, subdivision 4.

Sec. 29. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 17, is amended to read:

Subd. 17. [INDUSTRIAL TECHNOLOGY PROGRAM.] For development of curriculum for the industrial technology program according to section 56 there is appropriated:

(\$30,000) \$29,250 1986.

The sum is available until June 30, 1987.

Sec. 30. Laws 1985, First Special Session chapter 12, article 8, section 63, subdivision 2, is amended to read:

Subd. 2. [TEACHER EXAMINATIONS.] For duties related to teacher examinations there is appropriated:

\$105,000 1986,

(\$75,000) \$70,500 1987.

\$30,000 of the fiscal year 1986 appropriation is to evaluate teaching skills of beginning teachers and \$75,000 (EACH YEAR) *in fiscal year 1986 and \$70,500 in fiscal year 1987* is for development of teacher examinations.

Sec. 31. Laws 1985, First Special Session chapter 12, article 8, section 63, subdivision 3, is amended to read:

Subd. 3. [EXEMPLARY TEACHER EDUCATION PROGRAMS.] For development of exemplary teacher education programs there is appropriated:

\$150,000 1986,

(\$150,000) \$142,500 1987.

Up to \$30,000 of this sum may be used for evaluation. The sum is available until June 30, 1987.

Sec. 32. Laws 1985, First Special Session chapter 12, article 8, section 64, subdivision 2, is amended to read:

Subd. 2. [SUMMER PROGRAM SCHOLARSHIPS.] For scholarship awards for 1986 and 1987 summer programs according to section 22, there is appropriated:

(\$500,000) \$487,500 1986.

Of this appropriation, the amount required may be used for the higher education coordinating board's costs of administering the program.

Sec. 33. Laws 1985, First Special Session chapter 12, article 9, section 3, subdivision 2, is amended to read:

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants pursuant to sections 134.32 to 134.35 for the provision of library service there is appropriated:

\$4,923,600 1986,

(\$5,047,300) \$4,798,027 1987.

The appropriation for 1986 includes \$695,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$4,228,600 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$746,200 for aid for fiscal year 1986 payable in fiscal year 1987 and (\$4,301,100) \$4,051,827 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$4,974,800 for fiscal year 1986 and (\$5,060,100) \$4,810,827 for fiscal year 1987.

Sec. 34. Laws 1985, First Special Session chapter 12, article 9, section 3, subdivision 3, is amended to read:

Subd. 3. [MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEMS.] For grants pursuant to sections 134.353 and 134.354 to multi-county, multi-type library systems there is appropriated:

\$205,100 1986,

(\$213,000) \$202,548 1987.

The appropriation for 1986 includes \$30,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$175,100 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$30,900 for fiscal year 1986 payable in fiscal year 1987, and \$182,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$206,000 for fiscal year 1986, and (\$214,200) \$203,748 for fiscal year 1987.

Sec. 35. [LEVY FORMULA AND PERMITTED USE FOR 1986 SUMMER PROGRAMS.]

Subdivision 1. [PERMITTED USE.] Any district which certified a 1985 levy payable in 1986 pursuant to Minnesota Statutes 1984, section 124A.03, subdivision 4, may use that levy revenue only for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, and (3) summer school classes in elementary and secondary schools, which are provided for pupils who are handicapped and who are appropriately served at level 4, 5, or 6 of the continuum of placement model described in state board rules.

Subd. 2. [FORMULA.] The amount of 1986 summer program levy revenue that a district may use for the purposes specified in subdivision 1 is equal to the following product:

(a) the number of summer school pupil units as defined in Minnesota Statutes 1984, section 124.201, subdivision 2, clause 1; times

(b) the foundation aid formula allowance for the 1985-1986 school year pursuant to Minnesota Statutes 1985 Supplement, section 124A.02, subdivision 9; times

(c) the lesser of

(1) one, or

(2) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in 1983 by the total pupil units in the district in the 1985-1986 school year, to

(ii) the equalizing factor for the 1985-1986 school year.

Sec. 36. [AID FORMULA AND PERMITTED USE FOR 1986 SUMMER PROGRAMS.]

Subdivision 1. [PERMITTED USE.] Any district receiving aid for 1986 summer programs may use that aid only for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, and (3) summer school classes in elementary and secondary schools, which are provided for pupils who are handicapped and who are appropriately served at level 4, 5, or 6 of the continuum of placement model described in state board rules.

Subd. 2. [FORMULA.] In fiscal year 1987, any district which provides summer programs specified in subdivision 1 shall receive summer program aid equal to the difference between:

(1) the product of

(a) the number of summer school pupil units as defined in Minnesota Statutes 1984, section 124.201, subdivision 2, clause 1; times

(b) the foundation aid formula allowance for the 1985-1986 school year pursuant to Minnesota Statutes 1985 Supplement, section 124A.02, subdivision 9; and

(2) the amount of 1986 summer program levy revenue that the district uses pursuant to section 35.

Sec. 37. [LEVY ADJUSTMENT.]

The commissioner of education shall adjust the 1985 payable 1986 levy limitations for school districts as a result of provisions of section 35. The adjustment shall be a negative amount equal to the difference between the amount the district levied in 1985 and the amount of the summer program levy revenue the district used pursuant to section 35. The adjustment shall be subtracted from the district's levy limitation for 1986 taxes payable in 1987.

Sec. 38. [CONTINGENCY EXPENDITURES.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "excess moneys for contingency expenditure" means the amount by which the sum of (1) the unexpended portion of the budget and cash flow reserve account, and (2) the probable undesignated balance in the general fund at the end of the biennium ending June 30, 1987, exceeds the net positive amount of \$100,000,000.

Subd. 2. [PRIORITY FOR ADDITIONAL REVENUES.] Notwithstanding Minnesota Statutes 1985 Supplement, sections 16A.15, subdivision 6, and 16A.1541, if the commissioner of finance determines before June 30, 1987, that there are excess moneys for contingency expenditure, the commissioner shall allocate the excess moneys for contingency expenditure to the following purposes in the following order of priority:

(1) If the determination that excess moneys for contingency expenditure are available is made prior to May 30, 1986, and the amount of excess moneys for contingency expenditure exceeds \$6,788,000, allocate \$6,788,000 to pay aid to school districts in fiscal year 1987 for 1986 summer programs for nonhandicapped pupils pursuant to Minnesota Statutes 1985 Supplement, section

124A.033. This amount is to replace aid rescinded pursuant to section 10.

(2) If the determination that excess moneys for contingency expenditure are available is made prior to September 30, 1986, allocate up to \$1,174,000 for fiscal year 1987 for the Minnesota resource center for the arts established under Minnesota Statutes 1985 Supplement, section 129C.10. This amount is to replace, in part, appropriations rescinded pursuant to section 16.

(3) If the determination that excess moneys for contingency expenditure are available is made prior to September 30, 1986, allocate up to \$200,000 for fiscal year 1987 for council on quality education venture fund grants pursuant to Minnesota Statutes, sections 129B.01 to 129B.04. This amount is to replace grant moneys rescinded pursuant to section 18.

(4) Allocate up to \$410,070 for fiscal year 1987 in the following maximum amounts and for the following purposes:

(a) To the department of education for:

<i>Interagency Office on Transition Services</i>	\$ 4,000;
<i>Early Childhood Family Education Assistance</i>	\$ 1,750;
<i>Comprehensive Arts Planning Programs</i>	\$ 3,125;
<i>Gifted Education Study</i>	\$ 875;
<i>Aid for Secondary Vocational Student Organizations</i>	\$ 3,000;
<i>Academic Excellence Foundation</i>	\$ 4,325;
<i>Educational Effectiveness Programs</i>	\$ 45,375;
<i>Management Assistance to School Districts</i>	\$ 2,500;
<i>Assessment Item Bank</i>	\$ 15,000;
<i>Planning, Evaluation, and Reporting Assistance</i>	\$ 6,000;
<i>Technology Services</i>	\$ 32,450;
<i>Mastery Learning</i>	\$ 5,000;
<i>School Management Assessment Center</i>	\$ 1,320;
<i>Programs of Excellence</i>	\$ 375;

<i>Industrial Technology Program</i>	\$ 750;
<i>Library Basic System Support Grants</i>	\$249,273;
<i>Library Multi-County, Multi-Type Grants</i>	\$ 10,452;

(b) *To the board of teaching for:*

<i>Teacher Examinations</i>	\$ 4,500;
<i>Exemplary Teacher Education Programs</i>	\$ 7,500; and

(c) *To the higher education coordinating board for:*

<i>Summer Program Scholarships</i>	\$ 12,500.
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If less than \$410,070 of excess moneys for contingency expenditure are available for the programs named in this clause, the amount available shall be prorated among the programs named in proportion to the maximum amount to be allocated to each program. These amounts are to replace appropriations rescinded pursuant to sections 12, 13, 15, 17, and 19 to 32.

(5) *Any additional excess moneys for contingency expenditure that are available shall be allocated in accordance with Minnesota Statutes, section 16A.1541.*

Subd. 3. [DETERMINATION BY MAY 30, 1986.] By May 30, 1986, the commissioner of finance shall determine whether sufficient excess moneys are available to allocate for aid to school districts for 1986 summer programs in accordance with subdivision 2, clause (1).

Sec. 39. [CONTINGENT ACTION; SUMMER SCHOOL LEVY ADJUSTMENT.]

If excess moneys for contingency expenditure are allocated for aid to school districts for 1986 summer programs under section 38, subdivision 2, clause (1), the provisions of sections 35 and 36 limiting the payment of 1986 summer program aid and the use of 1986 summer program levy revenue to handicapped pupils shall not take effect, and the levy adjustment required by section 37 shall not be made.

Sec. 40. [SPECIAL LEVY; MAHTOMEDI.]

In addition to other levies authorized by law, independent school district No. 832, Mahtomedi, may levy in 1986 an amount

up to \$250,000 for capital expenditures. The proceeds of the levy may be used only to renovate Wildwood school.

By July 30, 1986, the school board shall hold a public hearing on the need for the proposed levy. Upon receipt, within 30 days after the hearing, of a petition objecting to the levy signed by a number of qualified voters in the district equal to the greater of 50 voters or 15 percent of the number of voters who voted in the most recent school board election, the board shall hold a referendum on the proposed levy. The referendum shall be held on the date set by the board but no later than October 1, 1986. If a valid petition is not received by the school board, within 30 days after the hearing, no referendum need be held.

Sec. 41. [EXCESS CAPITAL OUTLAY LEVY; MOOSE LAKE.]

Subdivision 1. [1986.] Independent school district No. 97, Moose Lake, may levy \$75,000 in 1986 for capital outlay purposes in addition to all other levies for capital outlay and other purposes.

Subd. 2. [1987.] Independent school district No. 97, Moose Lake, may levy \$70,000 in 1987 for capital outlay purposes in addition to all other levies for capital outlay and other purposes.

Subd. 3. [REFERENDUM.] The authorization for the levy in subdivision 1 or 2 may be revoked or reduced as provided in this subdivision. A referendum on the question of revoking or reducing the authorized amount shall be called on the written petition of a number of qualified voters in excess of 15 percent of the average number of voters of the two most recent district-wide school elections. A petition to revoke or reduce the levy authorized by subdivision 1 must be received by September 1, 1986, and the referendum must be held by October 10, 1986. A petition to revoke or reduce the levy authorized by subdivision 2 must be received by September 1, 1987, and the referendum must be held by October 10, 1987. The ballot must state the number of mills required to raise the authorized amount. The ballot question must read substantially as follows:

"Shall the authority to make an extra capital levy in (year) granted to independent school district No. 97 in (this act) be (revoked/reduced from \$..... to \$.....)?"

In other respects, the referendum shall be conducted as other elections are conducted under sections 124A.03 and 123.32.

Sec. 42. [EFFECTIVE DATE.]

Sections 17, 29, 32, 35, 36, 38, and 39 are effective the day following final enactment.

ARTICLE 2

POST-SECONDARY EDUCATION BOARDS;

DEPARTMENT OF EDUCATION

Section 1. [CHANGES IN APPROPRIATION; COMPLEMENTS.]

The amounts in the columns marked "CHANGES" are changes in appropriations from the general fund, or other named fund, to the named agencies or officials for the fiscal years indicated. The figures "1986," and "1987," in this act, mean that the changes listed under them are from the appropriations for the year ending June 30, 1986, or June 30, 1987, respectively. Reductions are in parentheses; other changes or unchanged numbers are not. Complement changes, if any, are also specified. Unless otherwise specified, the reductions are from the appropriations made in Laws 1985, First Special Session chapter 11.

CHANGES for the Year Ending June 30	
1986	1987
\$	\$

Sec. 2. DEPARTMENT OF
EDUCATION

Subdivision 1. Total Changes	(803,900)	(1,921,000)
Subd. 2. Complement Changes	0	(35.0)

The health specialist position in the instructional services activity shall remain vacant until the 1988 fiscal year. The department of education shall report on the need for this position to the chairs of the appropriations and finance committees by January 15, 1987.

The department shall retain the early childhood position in the instructional services activity.

Notwithstanding Laws 1985, First Special Session chapter 11, section 2, subdivision 6, and effective July 1, 1986, the commissioner of education shall maintain no more than six total complement in the categories of commis-

	1986	1987
	\$	\$
<p>sioner, deputy commissioner, assistant commissioner, assistant to the commissioner, or executive assistant. No more than four of the six shall be in the categories of deputy and assistant commissioners.</p>		
<p>Sec. 3. HIGHER EDUCATION COORDINATING BOARD</p>		
Total Changes	0	(2,090,100)
<p>Notwithstanding Laws 1985, First Special Session chapter 11, section 38, the Higher Education Coordinating Board shall delay implementation of the four-year eligibility component of the state grant and scholarship program until the 1988 fiscal year.</p>		
<p>The Higher Education Coordinating Board may transfer up to \$500,000 of a projected unexpended balance in 1986-1987 agency appropriations for supplemental scholarships and grants or additional state work study. Of the remaining projected unexpended balance, the board may supplement the 1987 state scholarship and grant awards up to an amount equal to reductions in federal Pell grants. Any action taken under this provision must first be submitted to the chairs of the education divisions of appropriations and finance committees of the legislature for review.</p>		
<p>Sec. 4. STATE UNIVERSITY BOARD</p>		
Total Changes		(5,700,300)
<p>Sec. 5. STATE BOARD FOR COMMUNITY COLLEGES</p>		
Total Changes		(2,857,700)
<p>Sec. 6. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION</p>		
Total Changes		(5,945,400)

	1986	1987
	\$	\$

**Sec. 7. BOARD OF REGENTS
OF THE UNIVERSITY OF
MINNESOTA**

Total Changes		(15,631,100)
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**Sec. 8. MAYO MEDICAL
FOUNDATION**

Total Changes	0	(50,500)
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**Sec. 9. PUBLIC POST-
SECONDARY SYSTEMS.**

(a) Notwithstanding placement in the 1987 column, a reduction in the appropriation for each post-secondary system may be taken entirely in 1986, entirely in 1987, or partly in each year, at the discretion of the recipient.

(b) For average cost funding, each system shall apply 50 percent of the sum of its reduction in the 1986 and 1987 fiscal years to the 1987 fiscal year when determining its budget base for the 1988-1989 biennium.

Sec. 10. RESTORATION.

In the event that economic projections are not accurate and revenues become available, post-secondary education appropriations should be restored to those set forth for the biennium.

Sec. 11. Minnesota Statutes 1985 Supplement, section 15A.-081, subdivision 8, is amended to read:

Subd. 8. [EXPENSE ALLOWANCE.] Notwithstanding any law to the contrary, positions listed in subdivision 1, constitutional officers, (THE PRESIDENT OF EACH COMMUNITY COLLEGE,) and the commissioner of iron range resources and rehabilitation, (AND THE DIRECTOR OF VOCATIONAL TECHNICAL EDUCATION) are authorized an annual expense allowance not to exceed \$1,500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. (HOWEVER, EXPENSE ALLOWANCES FOR THE CHANCELLOR OF THE STATE UNI-

VERSITY SYSTEM AND THE PRESIDENT OF EACH STATE UNIVERSITY SHALL BE GOVERNED ONLY BY SECTION 136.063.) The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and postaudit. The commissioner of finance may promulgate rules to assure the proper expenditure of these funds, and to provide for reimbursement.

Sec. 12. Minnesota Statutes 1984, section 121.901, subdivision 2, is amended to read:

Subd. 2. The council shall expire, and the terms (, COMPENSATION) and removal of members shall be as provided in section 15.059. The state board shall determine the length of terms of the initial members consistent with section 15.059.

Sec. 13. Minnesota Statutes 1984, section 129B.02 as amended by Laws 1985, First Special Session chapter 12, article 6, section 13, is amended to read:

129B.02 [PURPOSE.]

Subdivision 1. [CONCERN FOR FUTURE.] The legislature of the state of Minnesota expresses concern over the future of elementary and secondary education in this state, its ability to meet the educational needs of the public school students, the professional growth and satisfaction of school staffs, the effectiveness and efficiency of present schools and their learning processes, continuing pupil unit cost escalation and the resulting financial crisis which this brings about. New approaches to the learning process, better use of professional staff and community resources, different requirements as to course offerings, course content, grading, graduation and school attendance must be researched and developed. It is believed that revised programs, innovations, new attitudes about learning and the public schools' responsibilities can be effectively achieved if research and development is performed by the (COUNCIL ON QUALITY EDUCATION) *department of education* and at the local school level by the school's staff and with involvement by the students and their community. Although funds spent now for these purposes can produce substantial educational and cost benefits in the future, (THESE CAPITAL TYPE) *the funds are seldom available within any single school district's budget.*

Subd. 2. [(RESEARCH AND DEVELOPMENT) VENTURE FUND.] (THE PURPOSE OF THE COUNCIL ON QUALITY EDUCATION IS, THEREFORE, TO ENCOURAGE, PROMOTE, AID, AND PERFORM RESEARCH AND DEVELOPMENT FOR QUALITY EDUCATION IN MINNESOTA ELEMENTARY AND SECONDARY SCHOOLS, TO EVALUATE THE RESULTS OF SIGNIFICANT INNOVATIVE PROGRAMS AND TO DISSEMINATE INFORMATION ABOUT THESE PROGRAMS THROUGHOUT THE STATE.)

(TO THESE ENDS,) The (COUNCIL) *department of education* through the state board of education shall establish a venture fund from which grants or loans may be made in support of research and development programs relating to the problems and objectives described in this section which shall include but not be limited to:

- (1) effective use of community personnel and resources;
- (2) developing improved learning programs, including model personnel policies and procedures, new staffing and educational concepts such as differentiated staffing and comprehensive developmental and educational planning for individual pupils;
- (3) assessment and evaluation of education programs;
- (4) developing procedures to increase a school's accountability;
- (5) determining responsibilities to be assumed by the schools exclusively or concurrently with other agencies or individuals;
- (6) effective dissemination of educational information;
- (7) developing new knowledge about learning and teaching;
- (8) developing model educational programs and alternative delivery systems that will improve curriculum offerings for small rural schools;
- (9) model programs and innovations to increase equality of educational opportunities;
- (10) research and testing of new concepts of educational efficiency, effectiveness and cost benefits; and
- (11) comprehensive interdisciplinary programs in health education and comprehensive programs designed to coordinate and integrate the delivery of pupil support services.

Subd. 2a. [DISSEMINATION.] The (COUNCIL) *department* shall collect and disseminate education research and planning information. Available research and planning information shall include, but not be limited to, information from (a) *past council on quality education projects*; (b) *Minnesota post-secondary institutions*; (c) *technology demonstration sites*; (d) *private foundation research*; (e) *educational effectiveness sites*; (f) *school districts*; (g) *federally funded research projects*; and (h) *other state and national theoretical and applied research activities*. The (COUNCIL) *department* shall notify school districts and other interested parties that this research information is

available. (THE DEPARTMENT OF EDUCATION SHALL ASSIST THE COUNCIL IN COLLECTING AND DISSEMINATING THIS INFORMATION.)

Subd. 3. [NEW CONCEPTS.] The (COUNCIL) *department* shall not be limited to supporting innovations, programs or procedures supplementary to existing school structures and programs but may assist or research entirely new concepts such as open schools, informal schools and the like. It is the legislature's intent that any supported program shall hold promise of both educational and cost benefits and that the costs and improvements in learning effectiveness introduced thereby shall be measured and related. The (COUNCIL) *department* shall provide for an evaluation of each program which it supports with a grant or loan.

The (COUNCIL) *department* may also review literature and other information about innovative programs in Minnesota and other states and disseminate the results of this research throughout the state. The (COUNCIL) *department* may identify ideas for innovative programs in the course of this research and solicit proposals from school boards for grants for such programs. However, not more than ten percent of the funds appropriated to the venture fund in any year may be expended to fund such research and programs.

Subd. 4. [REPORT TO LEGISLATURE.] The (COUNCIL) *department* shall report to the education committees of the legislature by November 15 of each even-numbered year concerning all research and all proposals received, the dispositions of them by the (COUNCIL) *department* and the state board of education, the evaluations of the programs that were funded, and of receipts and expenditures resulting from sales of materials developed through venture fund grants.

Sec. 14. Minnesota Statutes 1984, section 129B.04, subdivision 1a, is amended to read:

Subd. 1a. [MINI GRANTS.] The (COUNCIL) *department* may award grants not to exceed \$5,000 to districts to (1) disseminate information about successful projects initiated by the district with a grant from the venture fund, or (2) replicate cost-effective innovations which either were initiated in other districts with venture fund support or were validated by the department of education or federal agencies. The (COUNCIL) *department* shall prescribe the form and manner of application for these grants.

Sec. 15. Minnesota Statutes 1984, section 129B.04, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] Every program proposal shall be submitted to the (COUNCIL CREATED BY SECTION 129B.-

01,) *department* not less than two months before the planned commencement of the program. The (COUNCIL) *department* shall recommend approval or disapproval, or shall modify and then recommend such modification with respect to every proposal submitted (TO IT). The (COUNCIL) *department* shall also recommend the amount and type of grant to be made in support of the proposed program in the light of the then currently available moneys in the venture fund. (THIS INFORMATION SHALL BE PROVIDED TO THE COUNCIL BY THE STATE BOARD OF EDUCATION.) The (COUNCIL) *department* shall also recommend what rules, if any, shall be suspended or modified to implement the proposal. Only proposals recommended for approval shall be transmitted by the (COUNCIL) *department* to the state board. All these proposals shall be approved and funded from the venture fund by the state board as recommended by the (COUNCIL) *department* unless the state board, within 30 days after receiving a proposal from the (COUNCIL) *department*, makes other disposition of the proposal by formal board action. One-half of each grant recommended by the (COUNCIL) *department* and funded by the state board may be an interest free loan and repaid over five years.

Sec. 16. Minnesota Statutes 1984, section 129B.041, subdivision 1, is amended to read:

Subdivision 1. [COPYRIGHT.] Products of projects and programs funded pursuant to sections (129B.01) *129B.02* to 129B.05, including curriculum and instructional materials, computer and telecommunications software, and associated manuals and reports, may be copyrighted by the (COUNCIL) *department* in the name of the state and may be sold. However, the state shall sell the products to all school districts and public agencies in the state at prices that do not exceed the cost of reproduction and distribution. Products sold shall be clearly labeled as products developed pursuant to a grant or loan from the (COUNCIL ON QUALITY EDUCATION) *department of education*.

Sec. 17. Minnesota Statutes 1984, section 129B.041, subdivision 4, is amended to read:

Subd. 4. Proceeds in excess of costs from the sale of products pursuant to this section shall be shared equally between the state and the school district which developed the product with a grant from the (COUNCIL) *department*. The school district share is appropriated to the department of education and shall be paid to the district. The state share is appropriated to the department of education and shall be placed in the venture fund (OF THE COUNCIL AND USED TO FUND SIMILAR PROJECTS).

Sec. 18. Minnesota Statutes 1984, section 129B.05, subdivision 2, is amended to read:

Subd. 2. [CONSULTANTS.] The (COUNCIL) *department* may also employ or contract for the services of consultants. The consultants may be for purposes such as research, evaluation, dissemination, cost-benefit analyses, and in-service training. The (COUNCIL) *department* may contract with one or more qualified consultants or law firms specializing in securing broadcast and telecast licenses from the federal communications commission. The consultant or law firm shall assist with the preparation of all necessary license applications to the federal communications commission on behalf of school districts recommended by the (COUNCIL) *department* as transmission sites. (THE COUNCIL MAY USE AS MUCH OF THE ANNUAL APPROPRIATION, MADE FOR THE PURPOSES OF SECTIONS 129B.01 TO 129B.05 AS IS NECESSARY FOR THIS PURPOSE.)

Sec. 19. [129B.061] [TRANSFER OF RESPONSIBILITY AND DOCUMENTS.]

The council on quality education shall give the department of education all books, records, and other documents on council activities and grants. The department shall then be responsible for administration, evaluation, and dissemination of all active loan and grant projects previously authorized by the council.

Sec. 20. Minnesota Statutes 1984, section 129B.43, is amended to read:

129B.43 [PROGRAM SELECTION.]

Subdivision 1. [AUTHORIZATION.] A school district or group of districts that wishes to receive a grant for improved learning programs may apply to the (COUNCIL ON QUALITY EDUCATION) *department of education* for approval. Programs may be approved for one portion of a school population, one or several attendance areas, or one or a group of districts.

Subd. 2. [APPLICATIONS.] The (COUNCIL ON QUALITY EDUCATION) *department* shall prescribe the form and manner of annual application for the program. The application may include estimates of salaries and fringe benefits for the next school year and for the additional time beyond the regular contract period for staff to be employed. The (COUNCIL) *department* shall require that each program be evaluated and it may contract for additional evaluation.

Subd. 3. [DECLINING GRANT AMOUNTS.] An improved learning program may receive grants for not more than three years. The grant amount for the second year of a program shall not exceed 75 percent of the grant amount for the first year. The grant amount for the third year of a program shall not exceed 50 percent of the grant amount for the first year. The (COUN-

CIL) *department* shall notify each recipient that no grant will be awarded after the third year and that the recipient is expected to continue successful programs without grants.

Subd. 4. [RULES AND RIGHTS.] On recommendation of the (COUNCIL ON QUALITY EDUCATION) *department of education*, the state board of education may waive school district compliance with its rules which would prevent implementation of an improved learning program. Participation in an improved learning program as a principal-teacher, counselor-teacher, or career teacher shall not affect seniority in the district or rights under the applicable collective bargaining agreement.

Subd. 5. [ADDITIONAL FUNDING.] A school district providing an improved learning program may receive funds for the program from private sources and governmental agencies, including state or federal funds.

Subd. 6. [REPORT.] The (COUNCIL ON QUALITY EDUCATION) *department of education* shall submit a report to the education committees of the legislature by February 1 each year. This report shall include the number and description of programs approved, implementation status of programs approved, waivers granted, and evaluation of programs approved.

Sec. 21. [135A.09] [EXPENSE ALLOWANCES.]

Subdivision 1. The state board of vocational technical education and the higher education coordinating board may establish an annual expense allowance for the state director of vocational technical education and the executive director of the higher education coordinating board, respectively.

The state university board and the state board for community colleges may establish expense allowances for their respective chancellors and campus presidents.

Subd. 2. Allowances established according to subdivision 1 are not subject to chapter 16A but each board shall report the allowances and expenditures annually to the chairs of the appropriations and finance committees of the legislature.

Sec. 22. Minnesota Statutes 1984, section 136.14, is amended to read:

136.14 [DUTIES OF BOARD.]

Subdivision 1. [GENERAL.] The state university board shall have the educational management, supervision, and control of the state universities and of all related property (APPERTAINING THERETO). It shall appoint all presidents, teachers,

and other necessary employees (THEREIN) and fix their salaries. It shall prescribe courses of study, conditions of admission, prepare and confer diplomas, report graduates of the state university department, and adopt suitable rules for the universities. It shall, as a whole or by committee, visit each state university at least once in each year for the purpose of meeting with administrators, faculty, students and the community to discuss such matters as facilities, modes of instruction, curriculum, extracurricular programs and management.

Subd. 2. [OFFICE LOCATION.] Notwithstanding chapter 16B, the state university board is authorized to select the location for its central office.

Subd. 3. [WEATHER CLOSINGS.] Notwithstanding any law to the contrary, the state university board may close a university if the president of that university believes continued operation would be hazardous to employees, students, or the public. A closure would be in effect for the minimum time deemed necessary by the university president. A closure shall be treated as a normal working day for the purposes of employee compensation.

Sec. 23. Minnesota Statutes 1984, section 136C.07, is amended by adding a subdivision to read:

Subd. 5b. [AID ANTICIPATION BORROWING.] The school board in a district may borrow money for its AVTI in anticipation of receipt of state aid for schools in the manner described in sections 124.71 to 124.76, except that the state director shall perform the duties specified in sections 124.71 to 124.76 for the commissioner of education.

Sec. 24. Minnesota Statutes 1984, section 136C.35, is amended to read:

136C.35 [LENGTH OF SCHOOL YEAR AND DAY.]

For an AVTI, the normal school year shall be at least 175 session days. In all AVTI's, the length of the school day for each pupil, exclusive of the noon intermission, shall be at least six hours. Exceptions may be made by the district for approved AVTI programs provided on a part-time or extended day basis to meet the needs of individual students or classes. These exceptions are authorized only for programs originally provided on a full-time basis. *Notwithstanding section 126.12, an AVTI may conduct regularly scheduled classes on Saturdays.*

Sec. 25. [299F.091] [CITATION.]

Sections 25 to 33 may be cited as the "community emergency response hazardous substances protection act."

Sec. 26. [299F.092] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 25 to 33 have the meanings given them in this section.

Subd. 2. [CLASSIFIED INFORMATION.] "Classified information" means information, data, or both that, for security reasons, has been given a special security classification such as "secret," "confidential," "private," or "nonpublic," by federal statute or rule and that, when so classified, is subject to handling, use, and storage in accordance with established standards to prevent unauthorized use or disclosure.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of public safety.

Subd. 4. [EMERGENCY RESPONSE PERSONNEL.] "Emergency response personnel" means personnel employed or authorized by the federal government, the state, or a political subdivision to provide fire suppression, police protection, emergency medical services, or emergency activities relating to health and safety.

Subd. 5. [EMPLOYER.] "Employer" means an employer as defined in section 182.651, subdivision 7. For the purposes of sections 25 to 33, "employer" also means a partnership or a self-employed person, whether or not the partnership or person has other employees. "Employer" does not mean a farm that is a "small business."

Subd. 6. [FIRE DEPARTMENT.] "Fire department" means a regularly organized fire department, fire protection district, or fire company as defined in the uniform fire code adopted under section 299F.011, regularly charged with the responsibility of providing fire protection to the state or a political subdivision.

Subd. 7. [HAZARD CATEGORY.] "Hazard category" means a list or description of hazardous substances, as developed by rule by the commissioner of public safety, including human reproductive hazards, flammable substances, human carcinogens, explosives, corrosives, and reactive agents, that present similar hazards in an emergency, or individual hazardous substances of special concern to emergency response personnel.

Subd. 8. [HAZARDOUS SUBSTANCE.] "Hazardous substance" means a substance or mixture as defined in section 182.651, subdivisions 14, 17, and 18, except that sections 25 to 33 do not apply to any hazardous substance while it is being transported in interstate or intrastate commerce.

Subd. 9. [HAZARDOUS SUBSTANCE NOTIFICATION ADVISORY COMMITTEE.] "Hazardous substance notifica-

tion advisory committee" is the committee established under section 31.

Subd. 10. [HAZARDOUS SUBSTANCE NOTIFICATION REPORT.] "Hazardous substance notification report" means a written record submitted to a fire department, for each workplace, that contains the information required in section 28.

Subd. 11. [LOCAL FIRE DEPARTMENT.] "Local fire department" means the fire department that would normally respond to a fire at a given workplace.

Subd. 12. [MATERIAL SAFETY DATA SHEET.] "Material safety data sheet" means a completed form recognized by the occupational safety and health administration, equivalent manufacturer's literature, or another form containing substantially the same information pertaining to a specific hazardous substance or a mixture containing one or more hazardous substances.

Subd. 13. [NONPUBLIC DATA.] "Nonpublic data" has the meaning given it in section 13.02, subdivision 9.

Subd. 14. [SIGNIFICANT CHANGE.] "Significant change" means a change in the reportable quantity of a hazardous substance that places the substance in a different quantity range as specified on the hazardous substance notification report form.

Subd. 15. [SMALL BUSINESS.] "Small business" means a business entity organized for profit, including any individual, partnership, corporation, joint venture, association, or cooperative that has 20 or fewer full-time employees, or equivalent full-time employees during the preceding fiscal year or not more than \$1,000,000 in annual gross revenue in the preceding fiscal year, and that is not an affiliate or subsidiary of a business having more than 20 full-time or equivalent full-time employees and more than \$1,000,000 in annual gross revenues. For the purposes of this subdivision, "equivalent full-time employees" means part-time employees' work time combined to total 2,000 hours or the equivalent of one full-time employee.

Subd. 16. [WORK AREA.] "Work area" means a defined space in a workplace where hazardous chemicals are stored, produced, or used and where employees are present.

Subd. 17. [WORKPLACE.] "Workplace" means an establishment at one geographical location containing one or more work areas.

Sec. 27. [299F.093] [POWERS AND DUTIES OF COMMISSIONER.]

Subdivision 1. [DUTIES.] (a) The commissioner shall:

(1) adopt rules no later than July 1, 1987, with the advice of the hazardous substance notification advisory committee, establishing the form and content of the hazardous substance notification report form, as required by section 28, and describing one or more hazard categories with specified ranges of quantities in each hazard category, representing increments of substantially increased risk;

(2) print and provide to individual fire departments the requested number of hazardous substance notification reports, which must be made available to a fire department no more than 90 days following its request, for the fire department to mail or otherwise make available to employers in the jurisdiction;

(3) report to the legislature, as needed, on the effectiveness of sections 25 to 33 and recommend amendments to sections 25 to 33 that are considered necessary;

(4) appoint a hazardous substance notification advisory committee as required in section 31;

(5) adopt rules to implement sections 25 to 33, compatible with the Minnesota Uniform Fire Code so as to not limit the authority of local fire officials under that code; and

(6) in consultation with the hazardous substance notification advisory committee, adopt rules that are based on the most recent standard 704, adopted by the National Fire Protection Association, and that allow a fire department to require employers within its jurisdiction to post signs conforming to standard 704, and indicating the presence of hazardous substances. If the signs are required, a fire department shall supply the signs or provide information to assist an employer to obtain them.

(b) The commissioner shall adopt criteria and guidelines, with the concurrence of the hazardous substance notification advisory committee, for the disbursement of funds pursuant to section 34, subdivision 1. These criteria and guidelines are exempt from the Minnesota administrative procedure act.

Subd. 2. [INVESTIGATION POWERS.] The commissioner shall, at the request of a local fire department, investigate suspected violations of sections 25 to 33.

Sec. 28. [299F.094] [REPORT REQUIRED; CONTENTS.]

Subdivision 1. [EMPLOYER'S DUTY.] Except as provided in section 30, subdivision 2, an employer who receives a hazardous substance notification report shall submit to the local fire department a completed hazardous substance notification report form containing the information and in the manner required by this section and the rules of the commissioner, within two months

after receiving a hazardous substance notification report. As an alternative, an employer may, at the discretion of the local fire department, arrange with the local fire department for a date certain upon which that department may conduct an inspection of that employer's workplace in order for the employer to provide the information, or essentially the same information, as contained in the report form to the local fire department.

Subd. 2. [CONTENTS OF FORM.] The hazardous substance notification report must be completed on a form developed by the commissioner of public safety and contain the following information: (1) the range of maximum combined quantities of all hazardous substances contained in each designated hazard category that may reasonably be expected to be present in the workplace during normal operations; (2) the street address and any other special identifier of the workplace; and (3) the employer's name and street address with the telephone numbers of responsible persons in charge of the workplace who can be reached at all times.

Subd. 3. [UPDATED INFORMATION.] If, after review of the hazardous substance notification report of an employer, a local fire department requires additional information, then the employer:

(1) shall provide, at the request of that fire department, a material safety data sheet, or any requested portion of it, for any hazardous substance contained in any designated hazard category covered by the hazardous substance notification report; and

(2) shall respond as soon as possible, but in no case later than 30 days, to a request by a local fire department for clarification of any information previously submitted or to a request for additional information under sections 25 to 33.

Subd. 4. [PROMPT NOTIFICATION OF CHANGES.] An employer shall promptly notify the local fire department of significant changes in the information provided under this section, but not later than 30 days after each significant change.

Subd. 5. [INSPECTIONS; EMERGENCY PLANS.] At the request of the local fire department, an employer shall permit the local fire department inspection and cooperate in the preparation of fire and emergency plans.

Sec. 29. [299F.095] [POWERS AND DUTIES OF FIRE DEPARTMENTS.]

To the extent feasible, given the amount of funds and training available, the local fire department shall:

(1) mail or otherwise distribute hazardous substance notification report forms to employers within the jurisdiction of the

fire department except for those employers for whom an inspection has been arranged or employers from whom a hazardous substance notification is considered not necessary by the fire department;

(2) retain and evaluate each hazardous substance notification report and notification of significant change submitted by each employer until the employer's workplace ceases to exist or the fire department determines retention of the hazardous substance notification report is no longer necessary;

(3) develop for fire department use appropriate fire and emergency procedures for the hazardous substance risks of each workplace based on the information received;

(4) investigate suspected violations of sections 25 to 33, and issue appropriate orders for compliance; and

(5) provide available material safety data sheets and hazardous substance notification reports at the request of other emergency response personnel.

Data collected under sections 25 to 33 is nonpublic data within the meaning of section 13.02, subdivision 9.

Sec. 30. [299F.096] [DUTY TO SAFEGUARD PRIVATE INFORMATION.]

Subdivision 1. [NONPUBLIC DATA.] Before a fire department and emergency response personnel may have access to information received under section 28, the department shall establish security procedures to prevent unauthorized use or disclosure of nonpublic data. Nonpublic data must be made available in an emergency to emergency response personnel. No liability results under sections 25 to 33 with respect to disclosure of nonpublic data if emergency response personnel, in response to an emergency, reasonably determine that the use or disclosure of the data is necessary to expedite medical services or to protect persons from imminent danger. As soon as practicable after disclosure of nonpublic data is made by emergency response personnel, the circumstances necessitating the disclosure and the actual or estimated extent of the disclosure must be described in writing by the personnel and provided to the employer.

Subd. 2. [CLASSIFIED INFORMATION.] When the notification required in section 28 involves classified information, the employer shall, without revealing the classified information, attempt to provide the local fire department with that information necessary to protect the department, emergency response personnel, and the public in an emergency. The employer is also responsible for requesting changes in the classification of classified information or declassification of that material when it

is considered necessary by a local fire department in advance of an emergency to protect emergency response personnel or the public. An employer is not required to reveal classified information, except in an emergency, without prior governmental approval, and in an emergency, an employer shall disclose to emergency response personnel appropriate elements of classified information that are reasonably necessary to protect human life. An employer may choose to make classified information available to the local fire department or emergency response personnel if necessary for emergency preplanning purposes. In those cases, classified information (1) may be made available to a local fire department or emergency response personnel only after it has been demonstrated that the personnel intended to have access to the classified information meet access requirements applicable to the facilities and to personnel having access to classified information, and (2) must be protected from disclosure by the local fire department and emergency response personnel in accordance with applicable rules and statutes.

Sec. 31. [299F.097] [HAZARDOUS SUBSTANCE NOTIFICATION ADVISORY COMMITTEE.]

The hazardous substance notification advisory committee is created. The committee shall consist of 11 members to be appointed by the commissioner of public safety to advise on the development of rules to implement and enforce sections 25 to 33 and to assist in the development of amendments to the hazardous substance notification report. The advisory committee shall consist of representation from fire chiefs; professional firefighters; volunteer firefighters; fire marshals; law enforcement personnel; emergency medical personnel; an independent health professional with training in toxicology; and four representatives from business and industry, at least one of whom shall represent small business. The committee must be appointed, serve, and be compensated in the manner provided in section 15.059, and shall serve at the pleasure of the commissioner.

Sec. 32. [299F.098] [PENALTIES.]

(a) An employer who violates a provision of sections 25 to 33 or a rule or order adopted or made under the authority of those sections, that is determined by rule not to be a violation of a serious nature, may be assessed a fine not to exceed \$1,000.

(b) An employer who violates a provision of sections 25 to 33 or a rule or order adopted or made under the authority of those sections, that is determined by rule to be of a serious nature, must be assessed a fine not to exceed \$1,000 for each violation.

(c) An employer who is convicted of knowingly making a false statement, representation, or certification in an application,

record, report, plan, or other document filed or required to be maintained under sections 25 to 33 is guilty of a gross misdemeanor.

(d) An employer who is convicted of willfully or repeatedly violating the requirements of sections 25 to 33 or a rule or order adopted or made under those sections is guilty of a gross misdemeanor.

(e) The penalties provided by this section may be imposed in a criminal action in the name of the state brought in the district court of the county in which the violation is alleged to have occurred or the district court where the commissioner has an office. Fines imposed under sections 25 to 33 must be paid to the commissioner of public safety and deposited in the general fund.

(f) No employer may be convicted for violating sections 25 to 33 or a rule or order made or issued under those sections unless the employer was notified of the violation in writing and given a reasonable time to comply.

Sec. 33. [299F.099] [LOCAL ORDINANCES.]

Sections 25 to 33 preempt and supersede any local ordinance or rule concerning the subject matter of those sections.

Sec. 34. [HAZARDOUS SUBSTANCES TRAINING COURSES.]

The state board of vocational technical education shall provide courses in hazardous substances. The commissioner of public safety, with the concurrence of the director of the state board of vocational education and with the advice of the hazardous substance notification advisory committee, shall certify the courses eligible for reimbursement. Among the courses eligible for reimbursement are in-service training and refresher courses. The state board shall develop policies for tuition subsidies in hazardous substance courses. The subsidies shall only be applied to fire service personnel commencing and successfully completing training regarding the hazardous substances requirements.

Sec. 35. [ALLOCATION.]

Subdivision 1. \$15,000 shall be allocated from the state board of vocational technical education for the fiscal year ending June 30, 1987, to the commissioner of public safety to otherwise administer the provisions of sections 25 to 33.

Subd. 2. Any unencumbered balances remaining in the first fiscal year of any of these appropriations do not cancel but are available for the second year.

Subd. 3. For the purposes of this section, the definitions in section 26 apply.

Sec. 36. Laws 1985, First Special Session chapter 11, section 4, subdivision 3, is amended to read:

Subd. 3. Noninstructional Expenditures

It is estimated that the amount for noninstructional expenditures will be \$7,-227,600 for the first year and \$6,764,100 for the second year.

This appropriation authorizes \$212,-500 for the first year and \$250,000 for the second year for (SUPPORTING UP TO 25 PERCENT OF TUITION COSTS OF) *providing firefighter training programs by area vocational technical institutes. (THE STATE BOARD SHALL ESTABLISH A UNIFORM TUITION SCHEDULE FOR THE PROGRAMS.) Of the amount for the second year, \$15,-000 shall be allocated to the commissioner of public safety as provided in section 34, subdivision 3. The second year's appropriation shall provide a tuition subsidy of up to 50 cents per student clock hour of instruction to each approved program. Any AVTI may offer the programs at any location. If the total amount requested by AVTI's for approved programs exceeds the amount appropriated, the state board shall prorate the deficiency among all approved programs.*

\$6,477,500 the first year and \$6,015,-400 the second year is for debt service payments to school districts for AVTI buildings financed with district bonds issued before January 1, 1979.

\$212,000 the first year and \$90,600 the second year is for veteran farmer cooperative training programs.

\$100,000 in 1987 is for the operation and management of the FIRE center. The board of vocational technical education and the regents of the University of Minnesota are requested to report by January 1, 1986, to the house appropria-

tions and senate finance committees on the statutory, property, fiscal, and other related changes necessary to transfer the FIRE center from the management of the University of Minnesota to the management of the AVTI board.

The appropriation for 1986 includes money for an advisory task force on hazardous substances. The state director of vocational technical education shall appoint a nine member task force that includes representatives of: fire chiefs, professional firefighters, volunteer firefighters, independent health professionals with training in toxicology, and business and industry, including small business. Members of the task force shall be reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 6. The task force shall report its findings and recommendations to the chairs of the house appropriations and senate finance committees by February 1, 1986.

Independent school district No. 742, St. Cloud, is authorized to construct an addition to the area vocational technical institute to provide space for student services, telecommunications activities, and general instruction. The total cost of the project must not be more than \$450,000, to be paid entirely from local money. In addition, the state board of vocational technical education may authorize additional capital improvements to the St. Cloud area vocational technical institute. The total cost of the additional improvements must not be more than \$1,150,000 to be paid entirely from local money. The district may transfer money from the post-secondary vocational technical capital expenditure fund to the building construction fund as needed to provide the local money for these projects.

Independent school district No. 347, Willmar, is authorized to construct an addition to the area vocational technical institute for the electronics program. The total cost of the project must not be more than \$225,000, to be paid entirely from local money.

Notwithstanding Laws 1984, chapter 597, section 13, subdivision 1, the appropriation to special school district No. 1, Minneapolis, may be used to acquire and to better an existing facility or to construct a new facility for the aviation mechanics program. Renovation or expansion of an existing facility shall not proceed until such time as the purchase is complete and the title has been transferred. The state share of the cost of the project remains \$1,700,000. The total cost of the project is estimated to be \$2,000,000 and shall not exceed \$2,500,000 whether paid from state, local, or federal money. At the discretion of the state director, up to \$85,000 of the appropriation may be used to acquire facilities for other aviation related programs in the vocational institutes if sufficient money remains from the Minneapolis project. The total cost of other facility acquisition shall not exceed \$100,000 whether paid from state, local, or federal money.

The state board shall apply to the department of energy and economic development for grant money to provide the state's portion of necessary funds to establish at least two off-campus pilot alcohol fuel plant programs. State funds shall not provide more than 33 percent of the cost of equipment necessary for alcohol production and by-product utilization. The state board shall enter into agreements with alcohol fuel plant manufacturers and with farmers near area vocational technical institutes. The agreements shall provide for: (1) installation of an alcohol fuel plant, at no cost to the state for its operation, to be integrated into the operation of the farm, (2) instruction of the farm related to the alcohol fuel plant as determined by the state board and provided by an area vocational technical institute, (3) data, to be collected and made available for a period of five years, reporting the cost and benefit of all phases of the demonstration project, and (4) maintenance of the plant and disposition of the plant if it is no longer needed for instruction.

Sec. 37. Laws 1985, First Special Session chapter 12, article 6, section 28, subdivision 20, is amended to read:

Subd. 20. [SECONDARY VOCATIONAL STUDENT ORGANIZATIONS.]

For aid for secondary vocational student organizations there is appropriated:

\$60,000 1986,

(\$60,000) \$57,000 1987.

The appropriations for fiscal years 1986 and 1987 are available for expenditure if the commissioner of education authorizes an additional (\$160,000) *\$144,328* for each of fiscal years 1986 and 1987 from the department's biennial appropriations for this purpose.

Sec. 38. Laws 1985, First Special Session chapter 15, section 23, subdivision 2, is amended to read:

Subd. 2. A school district, intermediate district, or joint vocational technical district may not authorize capital improvements authorized by this act until the state director has reviewed *and approved* the final plans, specifications, and cost estimates and made recommendations on them.

Sec. 39. [FICA AND TRA OBLIGATIONS.]

If the state director of vocational technical education finds that the amount for required AVTI teacher retirement and FICA contributions are insufficient in the 1986 fiscal year, the state director may pay the deficiency from the amount appropriated to the state board for fiscal year 1987 in Laws 1985, First Special Session chapter 11, section 4. The commissioner of finance shall provide the amounts necessary for the payment.

Sec. 40. [AUDIT COMMISSION TO STUDY SED AND SET-ASIDE.]

The legislative audit commission shall conduct a comprehensive review of the state SED and set-aside purchasing preference programs. The study shall: (1) identify the strengths and weaknesses of the small businesses across the state; (2) identify the types of businesses and areas of the state where small businesses are experiencing economic difficulty; (3) review the effect of state set-aside purchasing on small businesses for the fiscal years 1982 through 1985; (4) recommend changes in the SED program that would contribute to strengthening small businesses. The review must be completed and reported to the legislature by January 1, 1987.

Sec. 41. [AUDIT COMMISSION STUDY.]

The legislative audit commission is requested according to section 2.97, subdivision 7, to evaluate the activities and programs of the department of education. The study should include recommendations regarding the elimination, reduction, or expansion of the department activities and programs and their complements. The study should also examine the impact of staff changing positions within the department particularly in those cases in which their qualifications do not match the needs of the position they are assuming. The commission should report its results by January 15, 1987, to the chairs of the appropriations and finance committees of the legislature.

Sec. 42. [SUSPENSION OF PREFERENCES.]

Notwithstanding other law, all requirements for percent preferences in state bids, procurements, purchases, and contracts are suspended until July 1, 1987.

Sec. 43. [INDEPENDENT DISTRICT NO. 287; CONSTRUCTION APPROVAL.]

Intermediate school district No. 287, Suburban Hennepin, is authorized to construct a maintenance facility at the north campus of the vocational technical institute. The total cost of the facility may not exceed the amount that may be approved by the state board of vocational technical education under Minnesota Statutes, section 136C.07, subdivision 5. The entire project must be paid with local money.

Sec. 44. [REPEALER.]

Minnesota Statutes 1984, sections 129B.01; 129B.05, subdivision 1; and 136.063 are repealed.

ARTICLE 3**TRANSPORTATION, PUBLIC SAFETY, AGRICULTURE,
COMMERCE; MISCELLANEOUS BOARDS AND
COMMISSIONS; SEMI-STATE AGENCIES**

Section 1. [TRANSPORTATION AND OTHER AGENCIES; REDUCTIONS.] The sums in the columns marked "CHANGES" are changes in appropriations from the general fund, or other named fund, to the agencies or officials indicated for the fiscal years indicated. The figures "1986" and "1987" in this act, mean that the changes listed under them are to appropriations for the year ending June 30, 1986, or June 30, 1987,

respectively. Reductions are in parentheses; other changes or unchanged numbers are not. Complement changes, if any, are also specified. Unless otherwise specified, the reductions are from the appropriations made in Laws 1985, First Special Session chapter 10.

SUMMARY OF CHANGES BY FUND

	1986	1987	TOTAL
General	\$ 8,542,000	\$ (3,272,800)	\$ 5,269,200
Special Revenue	20,700	469,500	490,200
M.S.A.S.	(3,554,700)	(3,617,700)	(7,172,400)
C.S.A.H.	(11,453,600)	(11,657,100)	(23,110,700)
Tr. Hwy.	23,205,200	(24,217,200)	(1,012,000)
Transit Assistance ..	(12,563,409)	(14,000,700)	(26,564,109)
Motor Vehicle Transfer	(1,430,000)	0	(1,430,000)
TOTAL	2,766,191	(56,296,000)	53,529,809

CHANGES For the Year Ending June 30

	1986	1987
	\$	\$

Sec. 2. DEPARTMENT OF TRANSPORTATION

Subdivision 1. Total Reductions .. 3,720,800 (52,206,500)

	1986	1987
Approved Complement—	(1)	(115)
General—	(1)	(1)
Trunk Highway—	0	(114)

The reductions in this section are from the trunk highway fund, except where another fund is named.

	1986	1987
	\$	\$
Summary by Fund		
General		
	\$11,316,200	\$107,900
M.S.A.S.		
	(\$3,554,700)	(\$3,617,700)
C.S.A.H.		
	(\$11,453,600)	(\$11,657,100)
Trunk Highway		
	\$23,205,200	(\$23,038,900)
Transit Assistance		
	(\$12,563,409)	(\$14,000,700)
Motor Vehicle Transfer		
	(\$1,430,000)	0

The reductions from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Highway Development . . . 5,074,900 (29,521,200)

Summary by Fund		
M.S.A.S.		
	(\$3,554,700)	(\$3,617,700)
C.S.A.H.		
	(\$11,453,600)	(\$11,657,100)
Trunk Highway		
	\$21,513,200	(\$14,246,400)

	1986	1987
	\$	\$

Motor Vehicle Transfer

(\$1,430,000) 0

(a) Trunk Highway Development

1986	1987
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\$20,083,200 (\$14,246,400)

Summary by Fund

Trunk Highway

\$21,513,200 (\$14,246,400)

Motor Vehicle Transfer

(\$1,430,000) 0

As cash flow of the motor vehicle transfer fund permits, the commissioner of finance shall transfer \$1,430,000 from the unencumbered balance of the motor vehicle transfer fund and credit it to the general fund.

Federal Highway Aid

\$46,000,000 0

Highway User Taxes

(\$24,486,800) (\$14,246,400)

Due to a two-year suspension of motor vehicle excise tax transfers to the highway user tax distribution fund, trunk highway funds are reduced by \$24,486,800 in the first year and \$24,922,100 in the second year. Operating reductions of \$10,675,700 in trunk highway funds by the department of transportation, department of public safety, transportation regulation board, and safety council result in a decrease to \$14,246,400 in the second year.

	1986	1987
	\$	\$

(b) County State Aids

	(\$11,453,600)	(\$11,657,100)
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These reductions are from the county state-aid highway fund. They are due to a two-year suspension of motor vehicle excise tax transfers.

(c) Municipal State Aids

	(\$3,554,700)	(\$3,617,700)
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These reductions are from the municipal state-aid street fund. They are due to a two-year suspension of motor vehicle excise tax transfers.

Subd. 3. Highway Operations	0	(6,255,400)
Subd. 4. Technical Services	0	(1,390,700)
Subd. 5. Public Transportation Assistance	(1,217,209)	(13,870,900)

Summary by Fund

General

	\$11,346,200	\$137,900
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Transit Assistance

	(\$12,563,409)	(\$14,000,700)
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Trunk Highway

	0	(\$8,100)
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The reductions from this appropriation for each activity are as follows:

(a) Nonmetropolitan Transit Assistance

	(\$227,500)	(\$2,800,700)
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	1986	1987
	\$	\$

Summary by Fund

General

	\$2,312,800	0
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Transit Assistance

	(\$2,540,300)	(\$2,800,700)
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The commissioner of finance shall transfer \$100,000 from the unobligated portion of the transit assistance fund made available by the appropriation in Laws 1984, chapter 654, article 3, section 1, paragraph (i), for recipients outside the metropolitan area and credit it to the general fund.

The commissioner of transportation shall give priority in the use of these funds to capital assistance for transit systems and for operating assistance to offset reductions in federal or state assistance to transit operators and services that most directly serve transit-dependent persons. The commissioner shall define transit-dependent persons to be persons who cannot afford to own and operate an automobile or who are physically unable to operate an automobile.

(b) Metropolitan Transit Assistance

	(\$989,700)	(\$10,982,100)
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Summary by Fund

General

	\$9,033,400	\$217,900
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Transit Assistance

	(\$10,023,100)	(\$11,200,000)
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	1986	1987
	\$	\$

Of these reductions, \$750,000 in 1986 is from appropriations for transit needs assessment, planning, and preliminary engineering.

Of these reductions, \$30,000 in 1986 and \$15,000 in 1987 are from appropriations for regional transit board administration.

The transit board may not implement any service reductions or fare increases until after it has adopted a cost reduction plan that has the approval of the metropolitan council.

The cost reduction plan must be adopted by July 1, 1986. The plan must analyze and consider all cost reduction strategies and programs except service reductions, including bidding of routes, portions of routes, and runs of the transit commission, and changes in the commission's work rules, use of part-time employees, and other labor contract provisions. The cost reduction analysis must identify and evaluate each cost reduction alternative and estimate the savings in expenditure that would result from each alternative.

The requirements and restrictions in Minnesota Statutes, section 473.384, subdivision 7, do not apply to contracts for operating assistance that are entered into pursuant to the board's cost reduction plan.

The minimum expenditure level required for metro mobility service by Laws 1985, First Special Session chapter 10, section 2, subdivision 5, clause (b), is unchanged. Total expenditures by the board for transit service contracts with providers other than the transit commission and for the jobseekers program may not be reduced more than four percent below the level scheduled in the board's fi-

	1986	1987
\$		\$

nancial plan dated November 18, 1985. The board's fare policy must not allow fares for transit-dependent persons to be more than one-half of the base fare. The board shall define transit-dependent persons to be persons who cannot afford to own and operate an automobile or who are physically unable to operate an automobile.

(c) Transit Administration	0	(88,100)
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Summary by Fund

General

	0	(\$80,000)
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Trunk Highway

	0	(\$8,100)
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Subd. 6. Program Management	(30,000)	(246,200)
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Summary by Fund

General

	(\$30,000)	(\$30,000)
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Trunk Highway

	0	(\$216,200)
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Of these general fund reductions, \$22,000 in 1986 and \$22,000 in 1987 are from appropriations for highway programs and \$8,000 in 1986 and \$8,000 in 1987 are from appropriations for railroads and waterways.

Subd. 7. General Support	0	(922,100)
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Summary by Fund

Trunk Highway

	0	(\$922,100)
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	1986	1987
	\$	\$

Subd. 8. Aeronautics Operations

The appropriations by Laws 1985, First Special Session chapter 10, section 2, subdivision 8, paragraph (a), from the general fund to gather and disseminate weather information to both pilots and the general public are canceled and the requirements imposed on the commissioners of finance and revenue by paragraph (a) are also canceled.

Sec. 3. TRANSPORTATION REGULATION BOARD	0	(11,000)
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Sec. 4. DEPARTMENT OF PUBLIC SAFETY

Subdivision 1. Total Reductions ..	(1,439,000)	(2,249,700)
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	1986	1987
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Approved Complement—	(17.5)	(19.5)
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General—	(6.5)	(8.5)
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Trunk Highway—	(11.0)	(11.0)
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Summary by Fund

General

	(\$1,002,000)	(\$817,500)
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Trunk Highway

	(\$437,000)	(\$1,432,200)
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Of these general fund reductions, \$30,000 in 1986 and \$45,000 in 1987 are from appropriations for emergency management assistance and planning; and \$2,000 in 1986 and \$3,000 in 1987 are from appropriations for reparation awards by the crime victims reparations board. The 1987 ap-

	1986	1987
	\$	\$

appropriation for reparation awards is available for awards in 1986.

Any unencumbered balance of the appropriation made by Laws 1985, First Special Session chapter 13, section 53, for the MAFIN system does not cancel until June 30, 1987.

Subd. 2. Trunk Highway Contingent	0	267,900
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The appropriation in this subdivision is for a complement of 11 positions that may be required to operate the St. Croix weigh station. This appropriation may be spent only with the approval of the governor after consultation with the legislative advisory committee under Minnesota Statutes, section 3.30.

Sec. 5. DEPARTMENT OF AGRICULTURE

Total Reductions	(1,111,400)	(1,450,400)
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Of these reductions, \$600,000 in 1986 and \$800,000 in 1987 are from the appropriations for family farm security interest payment adjustments provided in Laws 1985, First Special Session chapter 10, section 5, subdivision 3.

None of these reductions is from the appropriations made by line item for grants to agricultural societies and associations in Laws 1985, First Special Session chapter 10, section 5, subdivision 4, except that \$75,000 for a grant to the Northern Crops Institute in 1987 may be canceled.

The export finance authority shall not provide loan guarantees or insurance after the effective date of this

	1986	1987
	\$	\$

provision, but shall continue to monitor all of its liabilities. After June 30, 1986, the commissioner shall assume the responsibilities of the authority. The commissioner shall monthly transfer to the general fund from the export finance authority working capital account in the special revenue fund an amount equal to the balance of the account less all outstanding liabilities, until the entire balance of the account has been transferred.

None of these reductions is from the appropriations made for the soil and water conservation board in Laws 1985, First Special Session chapter 10, section 5, subdivision 5.

Of these reductions, \$156,000 in 1986 and \$156,000 in 1987 are from the appropriations for international trade provided in Laws 1985, First Special Session chapter 10, section 5, subdivision 7. None of these reductions is from the agricultural trade division. The appropriation reduction amount for either year may be transferred to the other year, except that at least \$96,500 must be reduced in 1986.

The appropriation made to the department of agriculture for construction of an agricultural interpretive center at Waseca in Laws 1985, First Special Session chapter 15, section 10, subdivision 1, paragraph (a) is cancelled to the general fund.

Sec. 6. BOARD OF ANIMAL HEALTH	(49,300)	(44,300)
Sec. 7. DEPARTMENT OF COMMERCE		
Total Reductions	(76,600)	(115,100)

	1986	1987
	\$	\$
Bank Examinations		
Summary by Fund		
Special Revenue Fund		
0	\$448,800	

This appropriation is added to the appropriation in Laws 1985, First Special Session chapter 10, section 7, for the purpose of performing bank examinations.

The general fund complement for the department of commerce is increased by 12 positions.

Sec. 8. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total Reductions . . .	(53,700)	(53,600)
Subd. 2. Board of Accountancy . . .	20,700	20,700

Summary by Fund

Special Revenue Fund		
20,700	20,700	

This appropriation is added to the appropriation in Laws 1985, First Special Session chapter 10, section 8, subdivision 3, for the purpose of administering the certified public accountant examinations.

Subd. 3. Board of Peace Officer Standards and Training	(74,400)	(74,300)
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Sec. 9. DEPARTMENT OF PUBLIC SERVICE	(15,500)	0
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Sec. 10. CHARITABLE GAMBLING CONTROL BOARD	(8,700)	(6,100)
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	1986	1987
	\$	\$
Sec. 11. MINNESOTA MUNICIPAL BOARD	(3,800)	(2,800)
Sec. 12. MINNESOTA HISTORICAL SOCIETY	(430,000)	(735,300)

None of these reductions is from the appropriations made for historic grants-in-aid in Laws 1985, First Special Session chapter 10, section 18, subdivision 4, or from the appropriations made for fiscal agents in subdivision 5.

Of these reductions, \$340,000 in 1986 and \$411,000 in 1987 are from the appropriations for Minnesota historical society operations in Laws 1985, First Special Session chapter 10, section 18, subdivision 2. The appropriation reduction amount for either year may be transferred to the other year, except that at least \$260,400 must be reduced in 1986.

Notwithstanding Laws 1983, chapter 344, section 13, or any contract with the operator of the agricultural interpretive center, the operator need not repay the sum of \$1,500,000 plus interest and need not make debt service payments to the state.

Sec. 13. BOARD OF THE ARTS	(125,900)	(125,900)
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None of these reductions is from the appropriations made for the support of regional arts councils in Laws 1985, First Special Session chapter 10, section 19, paragraph (b).

The appropriation reduction amount for either year may be transferred to the other year.

Sec. 14. SCIENCE MUSEUM OF MINNESOTA	(9,100)	(9,000)
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	1986	1987
	\$	\$
Sec. 15. MINNESOTA SAFETY COUNCIL	0	(3,000)

This reduction is from the trunk highway fund.

Sec. 16. GENERAL CONTINGENT ACCOUNT	132,500	0
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This appropriation is added to the general fund appropriation for the same purpose in Laws 1985, First Special Session chapter 13, section 45.

This appropriation represents repayment to the account of advances made in 1986 for bank examination costs.

Sec. 17. St. Croix Weigh Station ..	2,129,000	0
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In addition to the appropriation by Laws 1984, chapter 597, section 11, subdivision 2, paragraph (h), \$2,129,000 is appropriated from the trunk highway fund to the commissioner of transportation to construct a St. Croix weigh station.

Sec. 18. Laws 1979, chapter 280, section 2, as amended by Laws 1982, chapter 617, section 25, and Laws 1985, chapter 299, section 39, is amended to read:

Sec. 2. [APPROPRIATIONS.] Subdivision 1. \$52,000,000, or so much thereof as is determined to be needed, is appropriated from the Minnesota state transportation fund to the department of transportation to be expended for disbursement in the form of grants by the commissioner of transportation for construction and reconstruction of key bridges on the state transportation system and shall be allocated pursuant to subdivisions 2 and 3. The appropriation shall not lapse, but shall remain available until expended.

Subd. 2. \$50,000,000 or so much thereof as is needed, is available for expenditure at a rate not exceeding \$12,500,000 per fiscal year for grants to political subdivisions for construction and reconstruction of key bridges on highways,

streets and roads under their jurisdiction. The grants shall not exceed the following aggregate amounts:

- (1) To counties (\$11,500,000) *\$13,400,000*
- (2) To home rule charter and statutory cities (\$1,500,000) *\$2,000,000*
- (3) To towns *\$21,000,000*

Additional grants may be made in an aggregate amount not to exceed (\$16,500,000) *\$15,000,000* to the political subdivisions to match federal-aid grants for construction and reconstruction of key bridges under their jurisdiction. Appropriations made in subdivisions 1, 2, or 3 may also be used for the following purposes:

(1) The costs of abandoning an existing bridge that is deficient and is in need of replacement, but where no replacement will be made.

(2) The costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined to be deficient. The construction of the road or street must be judged to be more cost efficient than the reconstruction or replacement of the existing bridge.

Subd. 3. An additional amount not to exceed (\$1,500,000) *\$600,000* is available for grants for preliminary engineering and environmental studies pursuant to section 3.

Sec. 19. Laws 1985, First Special Session chapter 10, section 125, is amended to read:

Sec. 125. [EFFECTIVE DATE.]

Sections 31; 32; 45; 83; 84; 85; 105; 116; 120; and 123, subdivisions 2 and 5, are effective the day following final enactment. Sections 43; 46; 117; and 123, subdivision 3, are effective (JULY 1, 1987) *April 1, 1986*. Section 33 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, for the city of Hastings by the governing body of the city of Hastings, and for the city of St. Cloud by the governing body of the city of St. Cloud. Section 86 is effective for sales made after June 30, 1985. Section 123, subdivision 4, is effective August 1, 1985.

Section 68 is effective October 1, 1985, and applies to all insurance policies providing benefits for injuries arising out of the maintenance or use of a motor vehicle or motorcycle that are executed, issued, issued for delivery, delivered, continued, or renewed in this state after September 30, 1985.

Sec. 20. [17.055] [DEPOSIT OF FEES.]

Fees and penalties collected by the commissioner must be deposited in the state treasury and credited to the special revenue fund.

Sec. 21. Minnesota Statutes 1984, section 17.717, subdivision 6, is amended to read:

Subd. 6. Fees collected shall be deposited in the state treasury (TO THE CREDIT OF THE GENERAL FUND). Costs of inspection, sampling and analysis and other services shall be paid from the appropriations made to the department of agriculture.

Sec. 22. Minnesota Statutes 1984, section 25.39, subdivision 4, is amended to read:

Subd. 4. Fees collected shall be deposited in the state treasury (AND CREDITED TO THE GENERAL FUND). The costs of inspections, sampling, and analysis shall be paid from the appropriations made to the department of agriculture.

Sec. 23. Minnesota Statutes 1985 Supplement, section 40A.03, subdivision 2, is amended to read:

Subd. 2. [PLANS AND OFFICIAL CONTROLS.] By July 1, (1987) 1988, each pilot county selected under subdivision 1 shall submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review.

Sec. 24. [45.18] [DEPOSIT OF FEES.]

Fees, penalties, and assessments collected by the commissioner of commerce must be deposited in the state treasury and credited to the special revenue fund, except as provided in sections 60A.03, subdivision 6; and 82.34.

Sec. 25. Minnesota Statutes 1984, section 46.041, subdivision 1, is amended to read:

Subdivision 1. [FILING; FEE; HEARING.] The incorporators of a bank proposed to be organized under the laws of this state shall execute and acknowledge a written application in the form prescribed by the commissioner of commerce. The application must be signed by two or more of the incorporators and request a certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. The applicant shall file the application with the department with a \$1,000 filing fee and a \$500 investigation fee. The fees must be (TURNED OVER) *deposited* by the commissioner (TO) in the state (TREASURER AND CREDITED TO THE GENERAL FUND) *treasury*. Thereupon the applicant shall within 30 days of the receipt of the form prescribed by the commissioner, publish a notice of the filing of the application in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice shall be in the form prescribed by the commissioner and, in addition to the publication, the applicant shall mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the bank. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the (STATE TREASURER AND CREDITED BY THE TREASURER TO THE GENERAL FUND) *commissioner*, must be paid by the applicant and 50 percent equally by the intervening parties.

Sec. 26. Minnesota Statutes 1984, section 46.131, subdivision 10, is amended to read:

Subd. 10. Each financial institution described in subdivision 2 shall pay a fee of \$25 to the commissioner of commerce upon application to the commissioner for approval of a change in its certificate, charter, articles of incorporation, bylaws, powers or license. (MONEY COLLECTED BY THE COMMISSIONER UNDER THIS SUBDIVISION SHALL BE DEPOSITED IN THE GENERAL FUND)

Sec. 27. Minnesota Statutes 1984, section 47.54, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] Any bank desiring to establish a detached facility shall execute and acknowledge a written application in the form prescribed by the commissioner and shall file the application in the commissioner's office with a fee of \$500. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the commissioner in approving or disapproving the application, payable to the (STATE TREASURER AND CREDITED BY THE TREASURER TO THE GENERAL FUND) *commissioner*, shall be paid by the applicant and 50 percent equally by the intervening parties. The applicant shall within 30 days of the receipt of

the form prescribed by the commissioner publish a notice of the filing of the application in a newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then at the county seat of the county in which the facility is proposed to be located. In addition to the publication, the applicant must mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the detached facility, measured in the manner provided in section 47.52.

Sec. 28. Minnesota Statutes 1984, section 51A.51, subdivision 1, is amended to read:

Subdivision 1. [FEES TO BE PAID TO (STATE TREASURER) *COMMISSIONER*.] Associations shall pay fees by delivering to the commissioner a check payable to the (STATE TREASURER) *commissioner*.

Sec. 29. Minnesota Statutes 1984, section 51A.51, subdivision 2, is amended to read:

Subd. 2. [INCORPORATION FEE.] At the time of filing the application for a certificate of incorporation, the incorporators shall pay a \$1,000 (FILING FEE WHICH SHALL BE PAID INTO THE STATE TREASURY AND CREDITED TO THE GENERAL FUND, AND SHALL PAY TO THE BANKING DEPARTMENT A \$500 INVESTIGATION) fee. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application (, PAYABLE TO THE STATE TREASURER AND CREDITED BY THE TREASURER TO THE GENERAL FUND,) shall be paid by the applicant and 50 percent equally by the intervening parties.

Sec. 30. Minnesota Statutes 1984, section 51A.51, subdivision 3, is amended to read:

Subd. 3. [FEE FOR CHANGE OF LOCATION OF AN ESTABLISHED OFFICE.] There shall accompany each application to the commissioner for leave to change the location of an established office, a fee of \$50 (PAYABLE TO THE BANKING DEPARTMENT). In the event of a hearing on the application to change the location of an established office, an additional fee of (\$1,000 PAYABLE TO THE STATE TREASURY AND \$450 PAYABLE TO THE BANKING DEPARTMENT) \$1,450 shall be delivered to the office of the commissioner of commerce prior to the publication of the notice of hearing.

Sec. 31. Minnesota Statutes 1984, section 51A.51, subdivision 3a, is amended to read:

Subd. 3a. [FEE FOR ESTABLISHMENT OF OTHER THAN PRINCIPAL OFFICE.] There shall accompany each application to the commissioner for establishment of other than the principal office a \$1,000 filing fee (PAYABLE TO THE STATE TREASURY AND \$500 PAYABLE TO THE BANKING DEPARTMENT). If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application (, PAYABLE TO THE STATE TREASURER AND CREDITED BY THE TREASURER TO THE GENERAL FUND,) shall be paid by the applicant and 50 percent equally by the intervening parties.

Sec. 32. Minnesota Statutes 1984, section 52.06, subdivision 1, is amended to read:

Subdivision 1. Credit unions shall be under the supervision of the commissioner of commerce. Each credit union shall annually, on or before January 25, file a report with the commissioner of commerce on forms supplied by him for that purpose giving such relevant information as he may require concerning the operations during the preceding calendar year. Additional reports may be required. Credit unions shall be examined, at least once every 18 calendar months, by the commissioner of commerce, except that if a credit union requests, the commissioner may accept the audit of a certified public accountant in place of this examination. Such certified public accountant must be approved by the commissioner. The qualitative type of audit examination to be performed by the certified public accountant shall be defined by regulation and approved by the commissioner. Further, in lieu of this examination the commissioner may accept any examination made by the National Credit Union Administration, provided a copy of the examination is furnished to the commissioner. A report of the examination by the commissioner of commerce shall be forwarded to the president, or the chairman of the board if the position is so designated pursuant to section 52.09, subdivision 4, of the examined credit union within 60 days after completion of the examination. Within 60 days of the receipt of such report, a general meeting of the directors and committees shall be called to consider matters contained in the report. For failure to file reports when due, unless excused for cause, the credit union shall pay to the (STATE TREASURER) *commissioner* \$5 for each day of its delinquency.

Sec. 33. Minnesota Statutes 1985 Supplement, section 53.03, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION, FEE, NOTICE.] Any corporation hereafter organized as an industrial loan and thrift company, shall, after compliance with the requirements set forth in sections 53.01 and 53.02, file a written application with the department of commerce for a certificate of authorization. A

corporation that will not sell or issue thrift certificates for investment as permitted by this chapter need not comply with subdivision 2b. The application must be in the form prescribed by the department of commerce. The application must be made in the name of the corporation, executed and acknowledged by an officer designated by the board of directors of the corporation, requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a \$1,000 filing fee and a \$500 investigation fee. The fees must be turned over by the commissioner to the state treasurer and credited to the (GENERAL) *special revenue* fund. The applicant shall also submit a copy of the bylaws of the corporation, its articles of incorporation and all amendments thereto at that time. If the application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited to the (GENERAL) *special revenue* fund shall be paid by the applicant and 50 percent equally by the intervening parties. A notice of the filing of the application must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be none, in a newspaper published at the county seat of the county in which the company is proposed to be located. If the department of commerce receives a written objection to the application from any person within 20 days of the notice having been fully published a contested case hearing must be conducted on the application. Notice of a hearing in connection with this section must be published once in the form prescribed by the department of commerce, at the expense of the applicant, in the same manner as a notice of application.

Sec. 34. Minnesota Statutes 1984, section 53.03, subdivision 6, is amended to read:

Subd. 6. [AMENDED CERTIFICATES, THRIFT CERTIFICATES FOR INVESTMENT, APPLICATION, FEE, NOTICE.] Upon approval by the commissioner (OF BANKS) of a commitment for insurance or guarantee of certificates to be held for investment as required in section 53.10, subdivision 3, an industrial loan and thrift company may apply to the department of commerce for an amended certificate of authorization and consent to sell and issue thrift certificates for investment.

The application, in triplicate, must be in the form prescribed by the department of commerce and filed in its office. At the time of filing the application, the applicant shall pay a filing fee of \$500 and if an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the applica-

tion, payable to the (STATE TREASURER AND CREDITED BY THE TREASURER TO THE GENERAL FUND) *commissioner*, must be paid by the applicant and 50 percent equally by the intervening parties. A notice of the filing of the application must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the place of business under the application is located, or if there is none, in a newspaper published at the county seat of the county in which the place of business is located. Not more than one place of business maintained under a certificate of authorization may be the subject of an application.

Sec. 35. Minnesota Statutes 1984, section 56.02, is amended to read:

56.02 [APPLICATION FEE.]

Application for license shall be in writing, under oath, and in the form prescribed by the commissioner, and contain the name and the address, both of the residence and place of business, of the applicant and, if the applicant is a copartnership or association, of every member thereof, and if a corporation, of each officer and director thereof; also the county and municipality, with street and number, if any, where the business is to be conducted, and such further information as the commissioner may require. The applicant at the time of making application, shall pay to the commissioner the sum of \$250 as a fee for investigating the application, and the additional sum of \$150 as an annual license fee for a period terminating on the last day of the current calendar year; provided, that if the application is filed after June 30 in any year the additional sum shall be only \$75. In addition to the annual license fee, every licensee hereunder shall pay to the commissioner the actual costs of each examination, as provided for in section 56.10. (ALL MONEYS COLLECTED BY THE COMMISSIONER UNDER THIS CHAPTER SHALL BE TURNED OVER BY HIM TO THE STATE TREASURER AND CREDITED BY THE TREASURER TO THE GENERAL FUND OF THE STATE.)

Every applicant shall also prove, in form satisfactory to the commissioner, that he or it has available for the operation of the business at the location specified in the application, liquid assets of at least \$50,000.

Sec. 36. Minnesota Statutes 1984, section 60A.03, subdivision 6, is amended to read:

Subd. 6. [INSURANCE EXAMINATION REVOLVING FUND.] (1) [REVOLVING FUND CREATED.] There is hereby created the department of commerce examination

revolving fund for the purpose of carrying on the examination of foreign and domestic insurance companies.

(2) [MONEYS IN REVOLVING FUND.] Such fund shall consist of the \$7,500 appropriated therefor and the moneys transferred to it as herein provided, which are reappropriated to the commissioner of commerce for the purpose of this subdivision.

(3) [FUND TO BE KEPT IN STATE TREASURY.] Such fund shall be kept in the state treasury and shall be paid out in the manner prescribed by law for moneys therein.

(4) [PURPOSES FOR WHICH FUND MAY BE EXPENDED.] Such fund shall be used for the payment of per diem salaries and expenses of special examiners and appraisers, and the expenses of the commissioner of commerce, deputy commissioner of commerce, chief examiner, actuary other than a consulting actuary appointed under subdivision 3(3) hereof, regular salaried examiners and other employees of the department of commerce when participating in examinations. Expenses include meals, lodging, laundry, transportation, and mileage. The salary of regular employees of the division of insurance shall not be paid out of this fund.

(5) [COLLECTIONS TO BE DEPOSITED IN FUND.] All moneys collected by the division of insurance from insurance companies for fees and expenses of examinations, shall be deposited in the insurance division examination revolving fund.

(6) [PAYMENTS FROM SUCH FUND.] Upon authorization by the commissioner of commerce, the moneys due each examiner or employee engaged in an examination shall be paid to him from the insurance division examination revolving fund in the manner prescribed by law.

(7) [EXCESS OVER \$7,500 CANCELED INTO (GENERAL) SPECIAL REVENUE FUND.] The balance in such fund on June 30 of each year in excess of \$7,500 shall be forthwith canceled into the (GENERAL) *special revenue* fund.

Sec. 37. Minnesota Statutes 1984, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner (FOR DEPOSIT IN THE GENERAL FUND):

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

- (2) for filing annual statements, \$15;
- (3) for each annual certificate of authority, \$15;
- (4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, \$50;

(2) for filing annual statement, \$30;

(3) for filing certified copy of amendment to certificate or articles of incorporation, \$50;

(4) for filing bylaws, \$25 or amendments thereto, \$10;

(5) for each company's certificate of authority, \$40, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$5;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$40;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per one thousand dollars of insurance so valued. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing an initial license to an individual agent, \$20 per license, for issuing an initial agent's license to a partnership or corporation, \$50, and for issuing an amendment (variable annuity) to a license, \$20, and for renewal of amendment, \$20;

(8) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(9) for renewing an individual agent's license, \$20 per year per license, and for renewing a license issued to a corporation or partnership, \$50 per year;

(10) for issuing and renewing a surplus lines agent's license, \$150;

(11) for issuing duplicate licenses, \$5;

(12) for issuing licensing histories, \$10;

(13) for processing checks returned due to insufficient funds, \$15;

(14) for filing forms and rates, \$10 per filing. The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 38. Minnesota Statutes 1984, section 60A.23, subdivision 7, is amended to read:

Subd. 7. [LICENSES REQUIRED FOR EMPLOYERS MAKING DEDUCTIONS FROM WAGES FOR CERTAIN PURPOSES.] (1) [REQUIREMENTS.] No employer shall make deductions from the wages of his employees for the purpose of furnishing them with life insurance, funeral benefits, medical or hospital care, accident, sickness or old age insurance or benefits, unless he first receives from the commissioner of commerce a license for the benefit plan he operates or proposes to operate. The license shall be granted only when the commissioner is satisfied that the benefits given are commensurate with the charges made and that the charges will keep the fund solvent. All licenses shall be for the period of one year. The commissioner may require a statement of the operation of the fund, on a form to be prescribed by him, before granting a renewal. The fee for a license is \$25 and for filing the annual statement \$10. (ANY FEES RECEIVED BY THE COMMISSIONER PURSUANT TO THIS SUBDIVISION SHALL BE PAID INTO THE GENERAL FUND.) Before granting a license the commissioner of

commerce shall submit the proposed plan to the chairman of the workers' compensation court of appeals in order that he may determine whether the benefits are in conjunction with the benefits under the workers' compensation act.

(2) [EXCEPTIONS.] The requirements of clause (1) shall not apply to deductions made from the employees' wages for group insurance issued by insurers authorized to transact business in this state nor to railroad companies engaged in interstate commerce.

(3) [PENALTY.] Any person, firm, corporation, or association that makes deductions from the wages of an employee in violation of clause (1) shall be guilty of a misdemeanor.

Sec. 39. Minnesota Statutes 1984, section 79.251, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan review board is created for the purposes of review of the operation of section 79.252 and this section. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.

(2) The board shall consist of six members to be appointed by the commissioner of commerce. Three members shall be insureds holding policies or contracts of coverage issued pursuant to subdivision 4. Two members shall be insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b). The commissioner shall be the sixth member and shall vote.

Initial appointments shall be made by September 1, 1981, and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059.

(3) The assigned risk plan review board shall audit the reserves established (a) for individual cases arising under policies and contracts of coverage issued under subdivision 4 and (b) for the total book of business issued under subdivision 4.

(4) The assigned risk plan review board shall monitor the operations of section 79.252 and this section and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All insurers and self-insurance administrators issuing policies or contracts under subdivision 4 shall pay to the commissioner a .25 percent assessment on premiums for policies and

contracts of coverage issued under subdivision 4 for the purpose of defraying the costs of the assigned risk plan review board. Proceeds of the assessment shall be deposited in the state treasury and credited to the (GENERAL) *special revenue* fund.

(6) The assigned risk plan and the assigned risk plan review board shall not be deemed a state agency.

Sec. 40. Minnesota Statutes 1984, section 115A.912, subdivision 2, is amended to read:

Subd. 2. [PRIORITIES FOR SPENDING.] The agency shall apply the following criteria to establish priorities: (1) tire dumps or collection sites determined by the agency to contain more than 1,000,000 tires; (2) abatement of fire hazard nuisances; (3) *abatement of all tires that provide breeding sites for mosquitos that carry arboviral diseases to humans*; (4) abatement of nuisance in densely populated areas; and ((4)) (5) collection and clean up of waste tires including abatement of tire dumps.

Sec. 41. Minnesota Statutes 1984, section 138.65, is amended to read:

138.65 [ADMISSION FEES.]

The Minnesota historical society may establish and collect fees it deems reasonable for admission to the state owned historic sites under its control. (THESE FEES SHALL) *Admission income from Fort Snelling must be deposited in the general fund as nondedicated receipts. Admission income from the other state-owned sites must be deposited in the general fund and is appropriated to the Minnesota historical society for repair and betterment purposes through June 30, 1987, provided that the society enters into an agreement with the commissioner of finance, whereby the society shall deposit in the general fund admission income from sites owned by the society. Receipts of admission income from sites owned by the society shall be appropriated to the society for repair and betterment purposes for the duration of the agreement. No more than 25 percent of the amounts appropriated under this section may be used for salaries of historical society employees. After June 30, 1987, admission income from all state-owned sites must be deposited in the general fund as nondedicated receipts.*

Sec. 42. Minnesota Statutes 1984, section 168.67, is amended to read:

168.67 [SALES FINANCE COMPANIES; LICENSES, FEES, REFUNDS.]

(a) No person shall engage in the business of a sales finance company in this state without a license therefor as provided in

sections 168.66 to 168.77 provided, however, that no bank, trust company, savings bank, savings and loan association, or credit union, whether state or federally chartered, industrial loan and thrift company, or licensee under the Minnesota Regulated Loan Act authorized to do business in this state shall be required to obtain a license under sections 168.66 to 168.77.

(b) The application for a license shall be in writing, under oath and in the form prescribed by the administrator. The application shall contain the name of the applicant; date of incorporation, if incorporated; the address where the business is or is to be conducted and similar information as to any branch office of the applicant; the name and resident address of the owner or partners, or, if a corporation or association, of the directors, trustees and principal officers, and other pertinent information the administrator requires.

(c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the following year, or any part thereof shall be the sum of \$150 for the principal place of business of the licensee, and the sum of \$75 for each branch of the licensee, maintained in this state. Any licensee who proves to the satisfaction of the administrator, by affidavit or other proof satisfactory to the administrator, that during the 12 calendar months of the immediately preceding fiscal year, for which his license has been paid that he has not held retail installment contracts exceeding \$15,000 in amount, shall be entitled to a refund of that portion of each license fee paid in excess of \$25. The administrator shall certify to the commissioner of finance that the licensee is entitled to a refund, and payment thereof shall be made by the state treasurer. The amount necessary to pay for the refundment of the license fee is appropriated out of the (GENERAL) *special revenue fund*. All license fees received by the administrator under sections 168.66 to 168.77 shall be deposited (WITH) *in the state (TREASURER) treasury and credited to the special revenue fund.*

(d) Each license shall specify the location of the office or branch and must be conspicuously displayed there. In case the location be changed, the administrator shall endorse the change of location on the license.

(e) Upon the filing of such application, and the payment of the fee, the administrator shall issue a license to the applicant to engage in the business of a sales finance company under and in accordance with the provisions of sections 168.66 to 168.77 for a period which shall expire the last day of June next following the date of its issuance. The license shall not be transferable or assignable. No licensee shall transact any business provided for by sections 168.66 to 168.77 under any other name.

Sec. 43. Minnesota Statutes 1984, section 169.871, subdivision 5, is amended to read:

Subd. 5. [FINES.] (a) Any penalty imposed and fines collected pursuant to this section shall be disposed of as provided in section 299D.03, subdivision 5, with the following exceptions to paragraphs (a) and (b) of that subdivision:

((A)) (1) If the violation occurs in the county, and the county attorney appears in the action, the remaining five-eighths shall be credited to the highway user tax distribution fund (.);

((B)) (2) If the violation occurs within the municipality, and the city attorney appears in the action, the remaining one-third shall be paid to the highway user tax distribution fund (.);

((C)) (3) In all cases when the attorney general appears in the action, all penalties imposed and fines collected shall be credited to the highway user tax distribution fund.

(b) Any penalty imposed and fines collected pursuant to this section shall be disposed of as provided in section 299D.03, subdivision 5, with the following exceptions to paragraph (c) of that subdivision:

(1) if the violation occurs in the county, and the county attorney appears in the action, the remaining five-eighths shall be credited to the trunk highway fund;

(2) if the violation occurs within the municipality, and the city attorney appears in the action, the remaining one-third shall be paid to the trunk highway fund;

(3) in all cases when the attorney general appears in the action, all penalties imposed and fines collected shall be credited to the trunk highway fund.

Sec. 44. Minnesota Statutes 1984, section 299D.03, subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and forfeited bail money, from traffic and motor vehicle law violations, occurring on road, street, or highway rights-of-way that are not a part of the interstate highway system in Minnesota and collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of these receipts shall be credited to the general revenue fund of the county. The other five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the of-

fense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nation-wide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) *Subject to section 169.871, subdivision 5, but notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, occurring on road, street, or highway rights-of-way that are not a part of the interstate highway system in Minnesota and collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. Five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the highway user tax distribution fund. Three-eighths of these receipts shall be credited to the general revenue fund of the county.*

(c) *Subject to section 169.871, subdivision 5, all fines and forfeited bail money from traffic and motor vehicle law violations, occurring on roads, streets, or highways that are part of the interstate highway system in Minnesota, including safety violations and violations governing the maximum weight of motor vehicles, and collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. One-fourth of these receipts shall be credited to the general revenue fund of the county. The other three-fourths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund. If a violation occurs in a county and the county attorney prosecutes the offense, and a plea of not guilty is entered, three-eighths of the receipts shall be credited to the general revenue fund of the county. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-fourth of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and the remainder shall be transmitted to the state treasurer as provided in this subdivision.*

Sec. 45. Minnesota Statutes 1984, section 216B.243, subdivision 6, is amended to read:

Subd. 6. Any application for a certificate of need shall be accompanied by the fee required pursuant to this subdivision. The maximum fee shall be \$50,000, except for an application for an electric power generating plant as defined in section 116J.06, subdivision 3, clause (a), or a high voltage transmission line as defined in section 116J.06, subdivision 3, clause (b), for which the maximum fee shall be \$100,000. The commission may require an additional fee to recover the costs of any rehearing. The fee for a rehearing shall not be greater than the actual cost of the rehearing or the maximum fee specified above, whichever is less. The commission shall establish by rule pursuant to chapter 14 and sections 116J.05 to 116J.30 and 216B.243, a schedule of fees based on the output or capacity of the facility and the difficulty of assessment of need. Money collected in this manner shall be credited to the (GENERAL) *special revenue* fund of the state treasury.

Sec. 46. Minnesota Statutes 1984, section 216B.62, subdivision 2, is amended to read:

Subd. 2. Whenever the commission or department, in a proceeding upon its own motion, on complaint, or upon an application to it, shall deem it necessary, in order to carry out the duties imposed under this chapter and section 216A.085, to investigate the books, accounts, practices, and activities of, or make appraisals of the property of any public utility, or to render any engineering or accounting services to any public utility, or to intervene before an energy regulatory agency, the public utility shall pay the expenses reasonably attributable to the investigation, appraisal, service, or intervention. The commission and department shall ascertain the expenses, and the department shall render a bill therefor to the public utility, either at the conclusion of the investigation, appraisal, or services, or from time to time during its progress, which bill shall constitute notice of the assessment and a demand for payment. The amount of the bills so rendered by the department shall be paid by the public utility into the state treasury within 30 days from the date of rendition. *Receipts must be credited to the special revenue fund.* The total amount, in any one calendar year, for which any public utility shall become liable, by reason of costs incurred by the commission within that calendar year, shall not exceed two-fifths of one percent of the gross operating revenue from retail sales of gas, or electric service by the public utility within the state in the last preceding calendar year. Where, pursuant to this subdivision, costs are incurred within any calendar year which are in excess of two-fifths of one percent of the gross operating revenues, the excess costs shall not be chargeable as part of the remainder under subdivision 3, but shall be paid out of the general appropriation to the department and commission. In the case of public utilities offering more than one public utility service only the gross operating revenues from the public utility service in connection with which the investigation is being conducted shall be considered when determining this limitation.

Sec. 47. Minnesota Statutes 1984, section 216B.62, subdivision 3, is amended to read:

Subd. 3. 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 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. The remainder 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. *Receipts must be credited to the special revenue fund.* The total amount which may be assessed to the public utilities, under authority of this subdivision, shall not exceed one-eighth 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 second 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. 48. Minnesota Statutes 1984, section 237.295, subdivision 1, is amended to read:

Subdivision 1. Whenever the department or commission, in a proceeding upon its own motion, on complaint, or upon an application to it, shall deem it necessary in order to carry out the duties imposed on it to investigate the books, accounts, practices, and activities of, or make appraisals of the property of any telephone company, or to render any engineering or accounting services to any telephone company, the telephone company shall pay the expenses reasonably attributable to the investigation, appraisal, or service. The department and commission shall ascertain the expenses, and the department shall render a bill therefor to the telephone company, either at the conclusion of the investigation, appraisal, or services, or from time to time during its progress, which bill shall constitute notice of the assessment and a demand for payment. The amount of the bills so assessed by the department shall be paid by the telephone company into the state treasury within 30 days from the date of assessment. *Receipts must be credited to the special revenue fund.* The total amount, in any one calendar year, for which any telephone company shall become liable, by reason of costs incurred by the department and commission within that calendar year, shall not exceed two-fifths of one percent of the gross jurisdictional operating revenue of the telephone company in the last preceding calendar year. Where, pursuant to this subdivision, costs are incurred within any calendar year which are in excess of two-fifths of one per-

cent of the gross jurisdictional operating revenues, the excess costs shall not be chargeable as part of the remainder under subdivision 2, but shall be paid out of the general appropriation of the department.

Sec. 49. Minnesota Statutes 1984, section 237.295, subdivision 2, is amended to read:

Subd. 2. The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of its expenditures in the performance of its duties relating to telephone companies, other than amounts chargeable to telephone companies under subdivision 1 or 5. The remainder shall be assessed by the department to the several telephone companies in proportion to their respective gross jurisdictional operating revenues 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 telephone companies, which shall constitute notice of the assessment and demand of payment thereof. *Receipts must be credited to the special revenue fund.* The total amount which may be assessed to the telephone companies, under authority of this subdivision, shall not exceed one-eighth of one percent of the total gross jurisdictional operating revenues during the calendar year. The assessment for the second 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. 50. Minnesota Statutes 1984, section 239.10, is amended to read:

239.10 [ANNUAL INSPECTION.]

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 296.13 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) *special revenue fund*.

Sec. 51. Minnesota Statutes 1984, section 240.16, subdivision 5, is amended to read:

Subd. 5. [COSTS.] The commission may require that a licensee reimburse it for the costs of providing a state-paid steward or stewards to supervise racing at the licensee's race-track. *Reimbursements must be deposited in the state treasury and credited to a special account and are appropriated to the commission to pay the stewards.*

Sec. 52. Minnesota Statutes 1984, section 296.13, is amended to read:

296.13 [INSPECTION FEES.]

An inspection fee shall be charged on petroleum products when received by the distributor, and on petroleum products received and held for sale or use by any person when such petroleum products have not theretofore been received by a licensed distributor. The commissioner shall adjust the inspection fee to recover the amount appropriated for petroleum product quality inspection expenses and the amount appropriated for the inspection and testing of petroleum product measuring devices as required by chapter 239. The commissioner shall review and adjust the inspection fee as required by section 16A.128 but notwithstanding section 16A.128, the review of the fee shall occur annually on or before January 1, of each year. *Fees must be deposited in the state treasury and credited to the special revenue fund.*

Credit shall be allowed the distributor by the commissioner for inspection fees previously paid in error or on any material exported or sold for export from the state upon filing of a report in a manner approved by the commissioner.

Sec. 53. Minnesota Statutes 1985 Supplement, section 326.241, subdivision 3, is amended to read:

Subd. 3. [FEES AND FINANCES; DISPOSITION.] All license fees collected under the provisions of sections 326.241 to 326.248 are to be credited to the (GENERAL) *special revenue fund*. The expenses of administering sections 326.241 to 326.248 shall be paid from appropriations made to the board of electricity.

Sec. 54. Minnesota Statutes 1985 Supplement, section 326.244, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] (a) At or before commencement of any installation required to be inspected by the board, the electrical contractor, installer, special electrician, or owner making the installation shall submit to the board a request for inspection, in a form prescribed by the board, together with the fees required for the installation. For purposes of this subdivision, an owner is a person who physically performs all the electrical work on premises he or she owns and actually occupies as

his or her residence or that he or she will own and actually occupy as his or her residence upon completion of construction.

(b) The fees required are a handling fee and an inspection fee. The handling fee shall be set by the board in an amount sufficient to pay the cost of printing and handling the form requesting an inspection. The inspection fee shall be set by the board in an amount sufficient to pay the actual costs of the inspection and the board's costs in administering the inspection. All fees shall be set pursuant to the procedure of sections 14.01 to 14.70.

(c) All handling fees shall be deposited in the (GENERAL) *special revenue* fund as *nondedicated revenue*. All inspection fees collected pursuant to this section shall be deposited by the board in (A SPECIAL REVENUE BOOKKEEPING) *an inspection* account (OF THE TREASURY) *in the special revenue fund* and are appropriated to the board for the purpose of compensating contract inspectors for inspections performed, for transfer as *nondedicated revenue* to the (GENERAL) *special revenue* fund of the portion of the fee representing inspection administration costs, and for making refunds.

(d) If the inspector finds that the installation is not in compliance with accepted standards of construction for safety to life and property as required by section 326.243, the inspector shall by written order condemn the installation or noncomplying portion thereof, or order service to the installation disconnected, and shall send a copy of the order to the board. If the installation or the noncomplying part will seriously and proximately endanger human life and property, the order of the inspector, when approved by the inspector's superior, shall require immediate condemnation or disconnection. In all other cases, the order of the inspector shall permit a reasonable opportunity for the installation to be brought into compliance with accepted standards of construction for safety to life and property prior to the effective time established for condemnation or disconnection.

(e) Copies of each condemnation or disconnection order shall be served personally or by mail upon the property owner, and the electrical contractor, installer, or special electrician making the installation, and other persons as the board by rule or regulation may direct. An aggrieved party may appeal any condemnation or disconnection order by filing with the board a notice of appeal within ten days after (1) service upon the aggrieved party of the condemnation or disconnection order, if this service is required, or (2) filing of the order with the board, whichever is later. The appeal shall proceed and the order of the inspector shall have the effect the order, by its terms, and the rules of the board provides. The board shall adopt rules providing procedures for the conduct of appeals, including provisions for the stay of enforcement of the order of the inspector pending such appeal when justified by the circumstances.

Sec. 55. Minnesota Statutes 1984, section 326.334, subdivision 7, is amended to read:

Subd. 7. All fees accruing to the board shall be paid into the (GENERAL) *special revenue* fund. The cost of administering sections 326.32 to 326.339 shall be paid from appropriations made to the board.

Sec. 56. [340A.202] [FEES DEPOSITED IN SPECIAL REVENUE ACCOUNT.]

Fees and penalties on fees collected by the commissioner of public safety under this chapter must be deposited in the state treasury and credited to the special revenue fund.

Sec. 57. Minnesota Statutes 1985 Supplement, section 340A.-904, subdivision 2, is amended to read:

Subd. 2. [SALE PROCEDURE.] A sale of intoxicating liquor, materials, apparatus, or vehicles may be made only with the written approval of the commissioner of administration and after notice of the sale is published in one issue of a legal newspaper published in St. Paul. Sealed bids must be publicly opened in the office of the commissioner of public safety on a date stated in the notice, which may not be less than 15 days or more than 30 days after its publication. The net proceeds from the sale of alcoholic beverages or articles must, after the deduction of the expense of seizure or sale, be deposited by the commissioner of public safety with the state treasurer and credited to the (GENERAL) *special revenue* fund.

Sec. 58. Minnesota Statutes 1984, section 349.52, subdivision 2, is amended to read:

Subd. 2. [COLLECTION.] At the time a video game of chance is sold to an operator, the distributor must collect the license fee specified in subdivision 1. The distributor must affix to each game a stamp containing the operator's license number. All license fees must be given to the (STATE TREASURER) *commissioner* for deposit in the account created in subdivision 3.

Sec. 59. Minnesota Statutes 1984, section 349.52, subdivision 3, is amended to read:

Subd. 3. [VIDEO GAMING LICENSE ACCOUNT.] There is created in the state treasury an account to be known as the "video gaming license account." All fees received by the (STATE TREASURY) *commissioner* pursuant to this section must be credited to this account. The (COMMISSIONER) *operator* shall, by January (10) *31* of each year, certify to the (STATE TREASURER) *commissioner* the number of video games of chance

located in each city, and in each county outside of incorporated areas, on December 31 of the previous year. Within (TEN) 15 days of receiving this certification the (STATE TREASURER) *commissioner* shall pay from the video gaming license account to each city and county \$30 for each video game of chance located in the city or in the county outside city limits. After making these payments (HE) *the commissioner* shall transfer the unexpended balance in the account to the (GENERAL) *special revenue fund*.

Sec. 60. Minnesota Statutes 1984, section 473.448, is amended to read:

473.448 [COMMISSION; EXEMPTION FROM TAXATION.]

Notwithstanding any other provision of law to the contrary, the properties, moneys, and other assets of the commission, all revenues or other income of the commission shall be exempt from all taxation, licenses, fees, or charges of any kind imposed by the state or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state. *This section is not an exemption from section 168.012.*

Sec. 61. [REPEALER.]

Subdivision 1. Minnesota Statutes 1984, sections 17.104 and 17.105, are repealed.

Subd. 2. Minnesota Statutes 1984, section 17.101, subdivision 2, is repealed.

Subd. 3. Laws 1984, chapter 654, article 2, section 146, is repealed.

Sec. 62. [EFFECTIVE DATE.]

All sections in this article are effective the day following their final enactment unless a different date is stated in this section. Section 61, subdivision 1, is effective July 1, 1986.

ARTICLE 4

MINNESOTA FARM RELIEF ACT OF 1986

Section 1. [CITATION.]

This article may be cited as the "Minnesota farm relief act of 1986."

Sec. 2. [FINDINGS; PUBLIC PURPOSE.]

The legislature finds that conditions of extreme financial distress continue to plague Minnesota farm families and rural communities that depend heavily on the agricultural economy. The legislature further finds that timely assistance from the state is appropriate and efficient, and that an investment of state funds to partially alleviate the crisis situation in rural Minnesota will ultimately result in reduced public expenditures for displaced farm families and bankrupted small businesses.

The legislature further finds that the use of money in the general fund for assistance of financially stressed farmers pursuant to this act is a valid public purpose and is necessary to protect the health, safety, and general welfare of the people of the state.

The legislature further finds that farm financial relief provided by this act must be in addition to any relief provided by the federal government.

Sec. 3. [17.85] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 3 to 12, the terms defined in this section have the meanings given.

Subd. 2. [ADVOCATE.] "Advocate" means a person who has received final approval from the council and the commissioner to provide services to the family farm advocate program, and who has executed a valid contract with the commissioner for those services.

Subd. 3. [AGREEMENT.] "Agreement" means an assistance agreement executed between assisted farm operators and individual advocate contractors which, at a minimum, clearly specifies the limits of professional competence of the contractor and the legal significance of the relationship between the two parties.

Subd. 4. [APPLICANT.] "Applicant" means a natural person contracting with the department of agriculture as a farm advocate.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 6. [CONTRACT.] "Contract" means an agreement between the commissioner and an individual advocate contractor which outlines duties, terms of compensation, and ethical guidelines to be followed by the contractor.

Subd. 7. [COUNCIL.] "Council" means the family farm advisory council established in section 41.54.

Sec. 4. [17.852] [ADMINISTRATION AND RULES.]

Subdivision 1. [ADMINISTRATOR.] The family farm advocate program shall be administered by the commissioner.

Subd. 2. [RULES.] The commissioner may adopt rules, including emergency rules, necessary for the efficient administration of sections 3 to 12.

Subd. 3. [REPORTS.] On or before January 1 of each year, the commissioner shall submit a report to the legislature, as provided in section 3.195, concerning the actions of the commissioner relating to sections 3 to 12, including, but not limited to, the number and amount of donations received, number and identity of farm families served, and success rates based on random follow-up activities.

Sec. 5. [17.853] [CONTRACTOR ELIGIBILITY.]

An applicant may be approved if:

- (1) the applicant is a resident of the state of Minnesota; and*
- (2) the applicant has sufficient education, training, or experience in the type of farming for which the applicant intends to offer advice, or the applicant has participated in a farm management program approved by the commissioner for at least five years prior to the date of application.*

Sec. 6. [17.854] [PROCEDURE.]

Any person wishing to become an advocate may apply to the commissioner on the appropriate forms. The commissioner shall prescribe a screening process to determine eligibility. The commissioner may approve any application which has been approved by the council if the criteria in section 5 have been met.

Sec. 7. [17.856] [CONTRACTOR DUTIES.]

Advocates shall perform the following duties:

- (1) accept telephone referrals from telephone "hotline" services if requested to do so by the commissioner;*
- (2) inform farmers about the policies, practices, and procedures of the farmers home administration, production credit association, federal land bank, commercial banks, and other lenders, and about legal issues, but only in a form approved by the attorney general's office;*

(3) upon request from farmers, assist with the preparation of farmers home administration loan applications and other financial and farm management documents required by lenders;

(4) prepare and submit monthly reports as requested by the commissioner;

(5) participate in advocate training activities conducted or sanctioned by the department of agriculture; and

(6) within the limits of section 8, attend meetings between farmers and their lenders, suppliers, elevators, farm management instructors, agricultural extension personnel, and others for the purpose of facilitating understanding and communication between the parties.

Sec. 8. [17.858] [ETHICAL GUIDELINES.]

An advocate, when in the service of the department of agriculture or when performing official duties as an advocate, must not:

(1) provide assistance which may be characterized as the unauthorized practice of law under section 481.02;

(2) advise a farmer to engage in activity which is criminal or fraudulent;

(3) advise a farmer with respect to matters involving a lending office or institution with which the advocate contractor has, or has had, a farm-related loan or account;

(4) enter into a business transaction with any farmer who has requested the contractor's advice;

(5) accept compensation in any form from a farmer who has requested the contractor's advice; and

(6) expressly or by implication encourage a farmer's reliance on accounting or legal skills which are not warranted by that contractor's formal education.

A violation of this must result in a denial of compensation for the activities in question or termination of the contractual relationship, depending on the nature of the violation.

Sec. 9. [17.86] [INSURANCE.]

The commissioner shall obtain insurance coverage as needed to protect the department of agriculture from tort or professional malpractice claims arising out of the family farm advocate program.

Sec. 10. [17.862] [COMPENSATION.]

Subdivision 1. [RATE.] The state shall pay each advocate \$5 per hour from appropriated funds or from funds donated to the program within the limits of the amount available. Any available donated funds exceeding the compensation match requirement may be expended for any activity consistent with the purposes of sections 3 to 12.

Subd. 2. [MAXIMUM HOURS.] Advocates may claim compensation for a maximum of 20 hours per week, plus expenses.

Subd. 3. [TRAVEL EXPENSES.] The state shall reimburse each advocate for travel expenses actually and necessarily incurred by the contractor in the performance of specified duties. Travel expenses must be reimbursed at the rate of \$.27 per mile.

Subd. 4. [OUT-OF-STATE TRAVEL.] No compensation or travel expenses may be made for out-of-state travel.

Subd. 5. [INVOICES.] Payment must be made after an advocate has presented invoices for services performed in the form prescribed by the commissioner.

Subd. 6. [LIMITATION.] No compensation or travel expenses may be paid for activities in which an advocate has engaged in the promotion of any partisan political cause, or has otherwise contributed to political organizational or fundraising activities in any capacity exceeding those specified in section 7.

Sec. 11. [17.864] [DISCRIMINATION PROHIBITED.]

In carrying out their respective duties under sections 2 to 11, the council and the commissioner shall not discriminate between contractor applicants because of race, color, creed, religion, national origin, sex, marital status, disability, or political or ideological persuasion.

In carrying out their contractual and statutory duties under sections 3 to 12, advocates shall not discriminate between farmers requesting assistance because of race, color, creed, religion, national origin, sex, marital status, disability, or political or ideological persuasion.

Sec. 12. [17.866] [CONTRIBUTIONS.]

The commissioner may accept contributions to the program, and may expend the contributions in any manner which is consistent both with the wishes of the donor and the purposes of sections 3 to 12.

Sec. 13. [17.87] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] As used in sections 13 to 21, the terms defined in this section have the meanings given unless the context in which they are used clearly indicates a different meaning.

Subd. 2. [APPROVED ADULT FARM MANAGEMENT PROGRAM.] "Approved adult farm management program" means a farm management training program designed for persons currently engaged in farming that has been approved by the commissioner under section 16, subdivision 4.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 4. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer who applies to a lender for a farm operating loan between the dates January 1, 1986, and December 30, 1986, and who meets all qualifications established in section 14 and any further qualifications that may be established in the program guidelines adopted by the commissioner under section 16, subdivision 1.

Subd. 5. [FARM OPERATING LOAN.] "Farm operating loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm operating loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm operating loan eligible for interest rate buy-down must have a maturity date of June 30, 1987, or earlier.

Subd. 6. [FARMER.] "Farmer" means a state resident or a domestic family farm corporation as defined in section 500.24, subdivision 2, operating a farm within the state.

Subd. 7. [INTEREST RATE BUY-DOWN; BUY-DOWN.] "Interest rate buy-down" or "buy-down" means a reduction in the effective interest rate on a farm operating loan made pursuant to sections 13 to 21 to an eligible borrower due to partial payment of interest costs by the commissioner and partial payment of interest costs by the participating lender.

Subd. 8. [LENDER.] "Lender" means a bank, a credit union, or a savings and loan association chartered by the state or federal government, a unit of the farm credit system, the federal deposit insurance corporation, and other financial institutions that the commissioner deems appropriate.

Subd. 9. [PARTICIPATING LENDER.] "Participating lender" means a lender who has properly applied for and been granted participating lender status by the commissioner.

Sec. 14. [17.872] [FARMER ELIGIBILITY.]

Subdivision 1. [DEBT TO ASSET RATIO.] Only a farmer with a debt to asset ratio exceeding 50 percent at the time of application for a farm operating loan is an eligible borrower for purposes of interest rate buy-down. The debt to asset ratio of a farmer must be determined by the lender. A debt to asset ratio determined by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Subd. 2. [ASSESSMENT OF CONTINUED VIABILITY.] Only a farmer determined by the lender to have a reasonable opportunity for long term financial viability in the farmer's current farm operation is an eligible borrower. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Subd. 3. [ENROLLMENT IN ADULT FARM MANAGEMENT PROGRAM.] To be an eligible borrower a farmer must agree to enroll in an approved adult farm management program offered not more than 50 miles from the farmer's residence if enrollment is a condition of receiving a farm operating loan from a participating lender or if review by the commissioner indicates that enrollment is appropriate for the farmer.

Sec. 15. [17.874] [LENDER ELIGIBILITY.]

Subdivision 1. [APPLICATION FOR PARTICIPATING LENDER STATUS.] A lender who applies to the commissioner for status as a participating lender and meets all requirements established by the commissioner must be certified as a participating lender.

Subd. 2. [PARTIAL PAYMENT FOR ADULT FARM MANAGEMENT TRAINING.] A participating lender must agree to pay one-half of the enrollment and tuition costs of an approved adult farm management program for an eligible borrower approved by the commissioner for interest rate buy-down. A participating lender is not required to assist with enrollment or tuition costs for a period longer than the term of the farm operating loan, and a lender is not required to assist with the enrollment and tuition costs for more than one individual for each farm operating loan.

Sec. 16. [17.876] [RESPONSIBILITIES OF THE COMMISSIONER.]***Subdivision 1. [ADOPTION OF PROGRAM GUIDELINES.]***

Within 30 days after the effective date of sections 13 to 21, the commissioner shall adopt and make available to any interested party guidelines for the farm operating loan interest rate buy-

down program established in sections 13 to 21. To the maximum extent practicable, the commissioner shall adopt guidelines that coordinate the state program with any federal farm financial relief program and make benefits of the state buy-down program additive to the federal program. The commissioner may adopt program guidelines without regard to provisions of chapter 14.

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] *The commissioner shall prepare and distribute to all lenders in the state forms and instructions with which the lenders may apply for participating lender status. Only a participating lender may receive state interest rate buy-down payments.*

Subd. 3. [PREPARATION AND DISTRIBUTION OF LOAN APPLICATION FORMS.] *The commissioner shall prepare and distribute to all participating lenders forms and instructions to be used in applying for state interest rate buy-down payments.*

Subd. 4. [APPROVAL OF ADULT FARM MANAGEMENT PROGRAMS.] *The commissioner, in consultation with the commissioner of agriculture, shall prepare and distribute to all participating lenders a list of adult farm management training programs approved for eligible borrowers.*

Subd. 5. [REVIEW OF APPLICATIONS FOR BUY-DOWN PAYMENT.] *The commissioner must review within five working days of submission by a participating lender a properly completed application for buy-down payments on a farm operating loan made to a farmer. If a qualified lender does not receive written notice that the commissioner has denied buy-down payments within seven working days, the farmer is an eligible borrower and buy-down payments on the farm operating loan are approved by the commissioner.*

Subd. 6. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.] *The commissioner shall make interest rate buy-down payments to participating lenders as provided in this subdivision. An amount equal to half of the expected buy-down amount may be paid to the participating lender 30 days after the loan is executed by the lender. If the participating lender elects to receive the first half payment at a date later than 30 days after execution of the loan, the commissioner shall make the payment on the date requested. The balance of the buy-down payment must be paid to the participating lender not more than 30 days after the maturity of the farm operating loan.*

Sec. 17. [17.878] [FARMER APPLICATION FOR INTEREST BUY-DOWN.]

A participating lender must receive and evaluate loan applications from any farmer who has transacted farm-related borrowing with the lender within the prior three years or from a farmer who has not previously established farm-related borrowing or whose previous lender is no longer in the business of making farm-related loans. The participating lender may use criteria beyond those in section 14 in determining whether to make a farm operating loan to a farmer.

Sec. 18. [17.88] [APPLICATION BY PARTICIPATING LENDERS.]

In order to receive buy-down payments from the state, a participating lender must submit to the commissioner a properly completed application form for each farm operating loan eligible for state buy-down payments.

Sec. 19. [17.882] [MAXIMUM INTEREST RATE.]

To qualify for state interest rate buy-down payments, a participating lender must offer to make a farm operating loan to an eligible borrower at a rate of interest equivalent to that offered to other farmers having similar security and financial status. The commissioner may use appropriate means to verify that the operating loan interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Sec. 20. [17.884] [STATE CONTRIBUTION TO INTEREST BUY-DOWN.]

As provided in section 16, subdivision 6, the commissioner shall pay to a participating lender for the first \$100,000 of a farm operating loan made to an eligible borrower an amount equivalent to 40 percent of the contract interest to be paid during the term of the farm operating loan.

Sec. 21. [17.886] [LENDER CONTRIBUTION TO INTEREST BUY-DOWN.]

A participating lender must provide a reduction in interest rate for the first \$100,000 of a farm operating loan made to an eligible borrower in an amount equivalent to ten percent of the contract interest rate to be paid during the term of the farm operating loan.

Sec. 22. [17.89] [PROCEEDINGS.]

Subdivision 1. [COMMENCEMENT.] All proceedings for the foreclosure of a mortgage, the cancellation of a contract-for-deed, or the repossession of or collection against agricultural property having a current fair market value of more than

\$5,000 must be suspended following notice of default until (1) the creditor commencing the foreclosure proceedings has engaged in mediation or otherwise has negotiated in good faith with the debtor concerning possible adjustment and refinancing, as well as payment, of the debt; (2) the creditor has offered to engage in mediation or to negotiate in good faith with the debtor, and the debtor has refused to participate in mediation or refused to negotiate in good faith; (3) the debtor has failed to request mediation within 15 days after notice of default is given; or (4) 60 days have elapsed since notice of default was given.

Subd. 2. [CONTENTS OF NOTICE OF DEFAULT.] A notice of default affecting a mortgage, cancellation of a contract-for-deed, or repossession against agricultural property having a fair market value of more than \$5,000 may contain an affidavit stating how the conditions of subdivision 1, clause (1) or (2) have been met. Actions initiated by a default notice containing such an affidavit may proceed without regard to the 60-day suspension period unless the debtor challenges the accuracy of the affidavit in district court.

Subd. 3. [DEFINITION.] For purposes of sections 22 to 26, "agricultural property" means real property that is principally used for farming, as defined in section 500.24, subdivision 2, paragraph (a), and any property that is used as security in financing a farm operation or used as part of a farm operation including but not limited to equipment, crops, livestock, and proceeds of the property. "Agricultural property" does not include property of farm operations of less than 60 acres, including leased property, with less than \$20,000 in gross sales of agricultural products in the preceding year.

Sec. 23. [17.892] [EVIDENCE.]

Participation in mediation, as specified in section 24, over a period of at least 30 days creates a presumption that a creditor has negotiated in good faith as required by section 22. A creditor's request to the agricultural extension service to participate in mediation, as specified in section 24, creates a presumption that the creditor has offered to negotiate in good faith with the debtor.

Sec. 24. [17.894] [MEDIATION.]

A debtor or creditor with an interest in agricultural property may request mediation from the agricultural extension service by filing a written request with the service. A creditor may not file a request for mediation under this section unless there has been a default on the loan that would be the subject of mediation. However, a creditor need not have given official notice of default in order to request mediation.

A creditor must file a copy of its request for mediation with the debtor. A debtor may file a copy of any request for mediation with any of the debtor's other creditors. A debtor's request to the extension service must be submitted on a form supplied by the extension service, and must provide all information relevant to the relationship with the creditor asked for on the form.

The extension service shall accept each request for mediation and may appoint a mediator or a team of mediators as needed. The extension service shall notify the creditor filing the request, all other creditors named by the debtor, and the debtor, within 20 days of receiving a request for mediation, of whether or not it will appoint a mediator, and the name of the mediator if one is appointed. The mediator shall offer to meet with the creditor and debtor together within ten days of appointment. Unreasonable failure of a debtor or a creditor to meet as requested by the mediator over a period of 30 days, starting with the day on which the first meeting is scheduled, creates a presumption that a creditor or debtor is not negotiating in good faith.

The mediator shall meet with the debtor and all named creditors desiring to participate and attempt to help the parties reach an agreement. The mediator has no authority to impose an agreement on the debtor or any creditor. At the conclusion of mediation sessions the mediator shall file a written report with the extension service summarizing the results of mediation efforts and noting any failure of the debtor or any named creditor to attend a meeting when requested to attend by the mediator.

Sec. 25. [17.896] [MEDIATORS.]

The agricultural extension service shall provide mediators by contracting with qualified persons and shall assure that mediators are knowledgeable in as many as possible of the following areas: agricultural economics, legal issues related to agriculture and financial institutions, lending, and mediation. Contracts for mediation services must assure that the mediator will be available to meet with the parties at reasonable times for at least 30 days from the first mediation session.

A mediator must not:

(1) advise a farmer to engage in a criminal or fraudulent act;

(2) engage in mediation involving a lending institution with which the mediator has, or has had, a farm-related loan or account;

(3) engage in mediation involving a farmer that the mediator has a business relationship with; or

(4) accept compensation in any form from a party to mediation that the mediator is engaged in.

Contracts between the extension service and a mediator must incorporate the terms of clauses (1) to (4).

Sec. 26. [17.898] [DATA.]

All data regarding the finances of individual debtors and creditors created, collected, or maintained by the extension service or a mediator under contract to the extension service are private data or nonpublic data, as defined in chapter 13, except as to those entitled to participate in mediation meetings.

Sec. 27. Minnesota Statutes 1984, section 41.57, is amended by adding a subdivision to read:

Subd. 4. [ADDITIONAL INTEREST PAYMENT.] (a) The commissioner must annually pay to qualified sellers of property, financed by a family farm security loan, an amount approximately equal to the additional state income tax paid as a result of the inclusion in gross income of the interest and payment adjustment earned on a seller sponsored family farm security loan.

(b) The payment amount must be determined as follows:

(1) In order to qualify for a payment, the seller must apply to the commissioner. The application must include a copy of the seller's 1985 state income tax return and any other information that the commissioner requests to verify that the applicant is a qualified seller. The commissioner must recompute the seller's total state income tax liability that would be due if the interest and payment adjustment amounts were not includable in gross income for state income tax purposes. The commissioner may require the seller to compute these amounts as part of the application. For calendar year 1986 the amount of the payment equals the reduction in state income tax liability that would occur if the interest and payment adjustment were not included in gross income for state tax purposes.

(2) For calendar years beginning with 1987, the additional payment amount must be determined as follows: (i) The calendar year 1986 payment must be divided by the amount of interest and payment adjustment received during calendar year 1986. (ii) The resulting quotient must be multiplied by the interest and payment adjustment received for the calendar year. (iii) The product determined under clause (ii) is the payment for the calendar year.

(c) If for a tax year after 1986 the qualified seller's taxable income has changed substantially, the commissioner may

provide by rule that upon reapplication a later tax year will be used to compute the quotient under clause (b)(2)(i).

(d) The commissioner may make the payments under this subdivision in the same manner provided for the payment adjustment under subdivision 2.

(e) For purposes of this subdivision, the following terms have the meanings given:

(1) "Gross income" means gross income as defined for purposes of chapter 290.

(2) "Qualified seller" means an individual who sold farm land under a seller sponsored loan prior to July 1, 1985, and who is a resident of Minnesota during the calendar year and is subject to the payment of Minnesota income taxes.

Sec. 28. Minnesota Statutes 1985 Supplement, section 116J.961, subdivision 8, is amended to read:

Subd. 8. [ADMINISTRATION OF ANNUAL INVESTMENT INCOME FROM THE RURAL REHABILITATION REVOLVING FUND.] (a) *To the extent allowable under the provisions of Public Law 499 of the 81st Congress, and the charter of the Minnesota rural rehabilitation corporation, the council must administer the annual investment income from the rural rehabilitation revolving fund by providing grants to the supreme court to facilitate the family farm legal support program. The council shall administer the remaining annual investment income from the rural rehabilitation revolving fund by:*

(1) administering a rural development grant program including the establishment of grant eligibility criteria, solicitation and review of grant applications, and determination of projects to be funded;

(2) developing priorities for state projects and activities related to rural development;

(3) providing technical help and rural development information services to state agencies, regional agencies, special districts, local governments, and interested citizens;

(4) preparing an annual budget and work program, and a biennial budget;

(5) preparing an annual report for the state office of the farmers home administration, United States Department of Agriculture outlining program activities and expenditures from the trust fund; and

(6) reporting to the house agriculture and senate agriculture and natural resources committees by January 31 of each year on the grants, projects, and activities of the council.

(b) The commissioner shall make agreements or contracts to distribute grant funds to projects selected by the council.

Sec. 29. Minnesota Statutes 1984, section 480.242, is amended by adding a subdivision to read:

Subd. 3a. [DISTRIBUTION OF FUNDS; LIMITATIONS.] None of the funds distributed to recipients selected in accordance with the provisions of subdivision 2 may be used for activities promoting nonjudicial changes in the law. Actions precluded include:

(1) *appearance before legislative or administrative rulemaking bodies for the purpose of promoting changes in existing law, unless the appearance is requested by a member of that body; and*

(2) *preparation or assisting in the preparation of written statements promoting changes in existing law intended to be entered into the record of a legislative or rulemaking procedure.*

The preceding restrictions limit only those activities for which state grant or contract funding is received and in no way limit the activities of any attorney acting in a pro bono capacity.

Sec. 30. [480.250] [ADMINISTRATION OF FAMILY FARM LEGAL ASSISTANCE PROGRAM.]

Subdivision 1. [CONTRACT AND ADMINISTRATION.] The supreme court shall contract with one or more established not-for-profit organizations to provide a family farmer legal support program for financially distressed state farmers by 60 days after funding is available. The family farmer legal assistance must be directed at farm financial problems including, but not limited to, bankruptcy, discharge of debt, general debtor-creditor relations, and tax considerations. The supreme court may delegate responsibility for administering funds under the contract to the advisory committee established under section 480.242, subdivision 1.

Subd. 2. [LEGAL ASSISTANCE PROVIDER.] The supreme court may contract only with a legal assistance provider that:

(1) *is established as a not-for-profit organization under Minnesota law and tax exempt under the Internal Revenue Code;*

(2) *is organized principally to provide legal assistance;*

(3) *has a proven record of delivery of effective, high quality legal assistance;*

(4) *has experience and demonstrated expertise in addressing legal issues affecting financially distressed family farmers;*

(5) *can begin providing delivery of legal assistance to financially distressed farmers within 30 days after the contract is awarded; and*

(6) *can provide legal assistance to farmers throughout the state.*

Sec. 31. [480.252] [FAMILY FARM LEGAL ASSISTANCE PROGRAM.]

Subdivision 1. [REQUIREMENTS.] The family farmer legal support program shall provide:

(1) *legal backup and research support to attorneys throughout the state who represent financially distressed farmers;*

(2) *direct legal representation to eligible farmers in the most effective and efficient manner, giving special emphasis to enforcement of existing legal rights affecting large numbers of farmers;*

(3) *legal information to individual farmers;*

(4) *legal education and training to farmers, private attorneys, legal services staff, and the public;*

(5) *an incoming, statewide, toll free telephone line to provide the advice and referral requirements in this subdivision;*

(6) *legal advice and representation to farmers and small business operators whose loans are currently held by the Federal Deposit Insurance Corporation.*

Subd. 2. [PRIORITIES.] In meeting the requirements of subdivision 1, recipients of funds under the family farm legal support program shall adhere to the following priorities:

(1) *provide basic legal information relating to liquidation of farm property and restructuring of farm debt upon request by farmers, state and local officials, and state-supported farm management advisors;*

(2) *represent individual eligible farmers in pursuit of existing legal remedies relating to liquidation of farm property and restructuring of farm debt;*

(3) provide legal backup and research support to private attorneys who are representing farmers in matters relating to liquidation of farm property and restructuring of farm debt, and who do not consider their own education and experience in those matters sufficient to provide highly competent representation;

(4) promote alternatives to legal confrontation wherever possible without jeopardizing an individual client's legal rights;

(5) pursue cases involving challenges to procedures followed by governmental entities in preference to those challenging the substance of legislative or administrative policies. Where possible, challenges to either procedure or policy of governmental entities shall be referred to private counsel.

Remedies which could reasonably be expected to exhaust the resources of an average farmer, or which otherwise could be expected to detract from the number of individuals to be served within the limits of available funds are to be avoided.

Subd. 3. [REPORT.] The legal assistance provider shall submit a report to the supreme court each six months during the contract period demonstrating that the requirements in subdivision 1 have been met.

Subd. 4. [TERMINATION.] A contract under sections 30 to 33 may be terminated by the supreme court, or denied for renewal, upon reasonable written notice and good cause shown. A contract under sections 30 to 33 must be terminated if funds are used in a manner inconsistent with section 29.

Sec. 32. [480.254] [LEGAL SUPPORT ELIGIBILITY.]

A person is eligible for legal support under section 29 if the person:

- (1) is a state resident;
- (2) is or has been, within the preceding 24 months, a farmer, or a family shareholder of a family farm corporation;
- (3) represents a farm business that has a debt-to-asset ratio greater than 60 percent; and
- (4) has a reportable federal adjusted gross income of \$10,000 or less in the previous tax year and is financially unable to bind legal representation.

Qualifying farmers and small business operators whose bank loans are held by the Federal Deposit Insurance Corporation must be given priority.

Sec. 33. [480.256] [ANNUAL REPORT.]

A legal assistance provider shall submit a report to the supreme court, the senate committee on agriculture and natural resources, and the agriculture committee of the house of representatives by January 15 after each year of funding. The report must describe the activities and expenses under the contract during the previous calendar year and a summary of additional legal representation needed by distressed family farmers.

Sec. 34. Minnesota Statutes 1984, section 136C.13, is amended by adding a subdivision to read:

Subd. 5. [RETRAINING EXEMPTION.] A qualifying displaced farmer who is a Minnesota resident is exempted from paying tuition in designated vocational education programs. "Qualifying displaced farmer" for the purposes of this subdivision means a person who meets the criteria of a dislocated farmer or member of a dislocated farm family as established by the state board. Qualification criteria for waived tuition must be fully coordinated with the availability of grants through the higher education coordinating board and section 302(a) of the federal Jobs Training Partnership Act.

Sec. 35. [REACTIVATION OF THE AGRICULTURAL DATA TASK FORCE.]

The agricultural data collection task force created by Laws 1985, chapter 19, is reactivated.

Sec. 36. Laws 1985, chapter 19, section 2, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The data collection task force is created to consist of two members of the house of representatives appointed by the speaker of the house, two members of the senate appointed by the senate committee on committees, the director of the agricultural extension service, the director of the vocational technical education system, a representative appointed by the governor, and two representatives appointed by the commissioner of agriculture. The commissioner of agriculture is primarily responsible for execution of data collection activities initiated by the task force. The director of the agricultural extension service is primarily responsible for data collection methodology and analysis.

Sec. 37. Laws 1985, chapter 19, section 2, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The duties of the data collection task force are to:

(1) (DEVELOP A) *continue the uniform procedure for collecting data on the financial status of agriculture in Minnesota;*

(2) (OVERSEE THE IMPLEMENTATION OF THE FARM CRISIS INTERVENTION ACT; AND)

(3) report the results of the program to the legislature no later than December 31, (1985) 1986.

Sec. 38. Laws 1985, chapter 19, section 2, is amended by adding a subdivision to read:

Subd. 3a. [INFORMATION HELD BY TASK FORCE "NOT PUBLIC DATA" UNTIL RELEASED.] All information gathered by or for the task force or processed by staff and provided to the task force is "not public data" as defined in Minnesota Statutes, section 13.02, subdivision 8a, until it is released by a majority vote of the members of the task force.

Sec. 39. Laws 1985, chapter 19, section 6, subdivision 6, is amended to read:

Subd. 6. [EXPIRATION.] The data collection task force (SHALL CEASE TO EXIST WITHIN TEN DAYS OF SUBMITTING ITS REPORT) expires January 15, 1987, or 15 days after reporting to the legislature whichever date comes later, but in no circumstance later than March 1, 1987.

Sec. 40. [APPROPRIATION.]

\$70,000 is appropriated from the general fund to the commissioner of agriculture for the biennium ending June 30, 1987, for the purposes of sections 3 to 12.

Sec. 41. [APPROPRIATION.]

\$15,000,000 is appropriated from the general fund to the commissioner for purposes of sections 13 to 21 and \$75,000 of it may be spent for administrative expenses related to sections 13 to 21 for the biennium ending June 30, 1987.

Sec. 42. [APPROPRIATION.]

\$360,000 is appropriated from the general fund to the University of Minnesota agricultural extension service for purposes of sections 22 to 26 for the biennium ending June 30, 1987.

Sec. 43. [APPROPRIATION.]

\$740,000 is appropriated from the general fund to the commissioner of agriculture for the purposes of section 27 for the biennium ending June 30, 1987.

Sec. 44. [APPROPRIATION.]

\$500,000 is appropriated from the general fund to the supreme court to contract for legal assistance to farmers, for the biennium ending June 30, 1987.

Sec. 45. [APPROPRIATION; AGRICULTURAL EXTENSION SERVICE RESEARCH PROJECTS.]

\$250,000 in fiscal year 1986 is appropriated from the general fund to the board of regents of the University of Minnesota for agricultural experiment station research projects relating to water quality problems associated with the application of chemical inputs in production agriculture for the biennium ending June 30, 1987.

Sec. 46. [APPROPRIATION; "FINPAC."]

\$500,000 is appropriated from the general fund to the commissioner of finance to be available for grants-in-aid from the University of Minnesota extension service to the state office of the Farmers Home Administration. The extension service may make grants to the Farmers Home Administration to share in the cost of upgrading the administration's "FINPAC" farm financial analysis hardware and software as needed to establish compatibility with "FINPAC" analyses prepared by county extension agents or adult farm management instructors. Grants may not exceed 50 percent of the total cost of new hardware and software purchased by the Farmers Home Administration for this purpose. Within the limits of this appropriation, the commissioner shall transfer to the extension service the same amount as expended by the extension service in the form of grants authorized by this section. This appropriation is for the biennium ending June 30, 1987.

Sec. 47. [APPROPRIATION.]

Subdivision 1. [DATA COLLECTION TASK FORCE.] There is appropriated from the general fund to the legislative advisory committee \$10,000 to fund the activities of the agricultural data collection task force between the effective date of this act and March 15, 1987.

Subd. 2. [AVTI TUITION SUPPLEMENT.] \$1,030,000 is appropriated from the general fund to the state board of vocational technical education, for the biennium ending June 30, 1987, for the following services in proportions deemed necessary by the board:

(1) reduced tuition costs for existing farm business management and small business management programs;

(2) *tuition grants for displaced farmers as needed to supplement grants available through the higher education coordinating board; and*

(3) *new training workshops.*

Subd. 3. [AGRICULTURAL EXTENSION SERVICE PROJECTS.] \$1,425,000 is appropriated from the general fund to the board of regents of the University of Minnesota for the biennium ending June 30, 1987, for the following agricultural extension service projects: voluntary mediation training, project support program, farm financial management program, family financial and stress management education, community economy development education, and forest products marketing.

Sec. 48. [AGRICULTURAL EXTENSION SERVICE RETRENCHMENT.]

\$115,000 is appropriated from the general fund to the board of regents of the University of Minnesota for the Minnesota extension service to offset scheduled reduction of county extension agents. It is requested that consideration be made for those counties with the greatest need for mediation services. This appropriation is for the biennium ending June 30, 1987.

Sec. 49. [EFFECTIVE DATE.]

This act is effective the day following final enactment; appointments to the agricultural data collection task force must be made within 30 days after the effective date.

ARTICLE 5

STATE DEPARTMENTS AND AGENCIES,

LEGISLATURE, JUDICIARY

Section 1. [CHANGES IN APPROPRIATIONS, COMPLEMENTS.]

The sums in the columns marked "CHANGES" are changes in appropriations from the general fund, or any other fund named, to the agencies for the fiscal years indicated. The figures "1986," and "1987," in this article, mean that the changes listed under them are from the appropriations for the year ending June 30, 1986, or June 30, 1987, respectively. Reductions are in parentheses; other changes or unchanged numbers are not. Complement changes, if any, are also specified. Unless otherwise specified, the reductions are from the appropriations made in Laws 1985, First Special Session chapter 13. For the biennium ending June 30, 1987, if the appropriation to an agency listed in this

article in either year is insufficient to accomplish the specified reductions, the appropriation for the other year is available upon advance approval of the commissioner of finance.

SUMMARY OF CHANGES BY FUND

	1986	1987	TOTAL
	\$	\$	\$
General	(14,216,700)	(89,699,800)	(103,916,500)
Trunk Highway Fund	0	(2,567,500)	(2,567,500)
Highway User Tax Distribution Fund	0	(150,400)	(150,400)
Environmental	(300,000)	(672,000)	(972,000)
State Airport Fund	0	(7,000)	(7,000)
Game and Fish Fund	0	(400,000)	(400,000)
Special	348,700	2,317,000	2,660,700
Motor Vehicle Transfer	(2,000,000)	(2,000,000)	(4,000,000)
TOTAL	(16,173,000)	(91,179,700)	(107,352,700)

CHANGES for the Year Ending June 30

1986	1987
\$	\$

Sec. 2. LEGISLATURE

Subdivision 1. Total Reductions	(501,500)	(1,964,160)
Subd. 2. Senate	0	(394,660)
Subd. 3. House of Representatives	0	(531,800)
Subd. 4. Legislative Coordinating Commission	(501,500)	(1,037,700)

	1986	1987
	\$	\$

The reductions from this appropriation for each activity are as follows:

	1986	1987
(a) Legislative Reference Library	0	(28,100)
(b) Revisor of Statutes	(160,700)	(189,200)
(c) Legislative Commission on the Economic Status of Women	(2,000)	(57,300)
(d) Legislative Commission on Economic Development Strategy	(85,000)	(85,000)
(e) Legislative Commission on Employee Relations	(8,200)	(44,400)
(f) Legislative Commission on Energy	(4,300)	(25,000)
(g) Great Lakes Commission	(1,500)	(38,600)
(h) Legislative Commission on Pensions and Retirement	(100,000)	(100,000)
(i) Legislative Commission on Public Education	(1,000)	(50,000)

	1986	1987
	\$	\$

(j) Legislative Commission to Review Administrative Rules

	0	(7,000)
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(k) Legislative Commission on Waste Management

	0	(109,800)
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The commission complement is reduced by 1.5 positions. One remaining position and operating expenses are funded by the \$30,000 transfer from the commissioner of health. House research and senate counsel shall assist the commission.

(l) Mississippi River Parkway Commission

	0	(19,500)
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This reduction is from the trunk highway fund.

(m) Legislative Coordinating Commission—General Support

	(21,900)	(121,500)
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(n) Visitor Services

	(30,000)	(30,000)
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Subd. 5. Legislative Auditor	(85,900)	(132,700)
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Sec. 3. SUPREME COURT	(195,700)	(284,300)
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Sec. 4. COURT OF APPEALS ..	(60,400)	(66,000)
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Sec. 5. TRIAL COURTS	(100,000)	(310,000)
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Sec. 6. BOARD ON JUDICIAL STANDARDS	(4,600)	(6,100)
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Sec. 7. BOARD OF PUBLIC DEFENSE	0	(35,600)
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	1986	1987
	\$	\$
Sec. 8. PUBLIC DEFENDER . . .	(86,700)	(119,200)
Sec. 9. GOVERNOR	(155,400)	(2,500)
Sec. 10. LIEUTENANT GOVERNOR	(16,000)	(2,700)
Sec. 11. STATE AUDITOR	(13,700)	(18,300)
Sec. 12. SECRETARY OF STATE	(57,000)	(57,000)

Summary by Fund

General

0 0

Special

(57,000) (57,000)

The secretary of state may make reductions in both years in any activity except data services.

Sec. 13. ATTORNEY GENERAL (732,600) (1,098,000)

\$106,651 is appropriated from the trunk highway fund for transfer by the commissioner of finance to the general fund on June 30, 1986, to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for legal services to trunk highway fund purposes of the department of public safety in fiscal year 1985.

The attorney general may designate an additional four positions as assistant attorney general, increasing the number from 16 to 20. No increase in complement is granted.

Sec. 14. INVESTMENT BOARD. (52,600) (14,300)

	\$ 1986	\$ 1987
Sec. 15. COMMISSIONER OF ADMINISTRATION	(475,400)	(1,841,000)

	1986	1987
Approved Complement—	0	(1.0)
General—	(1.5)	(4.5)
Dedicated—	1.5	3.5

Summary by Fund

General

(551,400) (2,000,000)

Special

76,000 159,000

In addition to the total reductions above, \$100,000 the first year and \$25,000 the second year shall be transferred to the general fund from the documents and publications enterprise fund as a return of retained earnings.

\$76,000 the first year and \$159,000 the second year is from the special revenue fund for the state architect's building code enforcement effort.

Up to \$400,000 per year of the appropriation in Laws 1985, First Special Session chapter 13, section 17, subdivision 4, for contributed capital to the plant management internal service fund may be used for operating costs of the fund.

\$150,000 of the appropriation in Laws 1985, First Special Session chapter 13, section 17, subdivision 2, for contributed capital to the central motor pool shall be transferred the second year to the general fund.

1986

\$

1987

\$

\$150,000 of the appropriation in Laws 1985, First Special Session chapter 13, section 17, subdivision 3, for contributed capital to the telecommunications fund shall be transferred the second year to the general fund.

\$300,000 of the appropriation in Laws 1985, First Special Session chapter 13, section 17, subdivision 3, for contributed capital to the computer services fund shall be transferred the second year to the general fund.

The cable communications activity is reduced by \$10,000 the first year and \$25,000 the second year.

The \$15,000 appropriated for a survey of public educational radio station listeners in Laws 1985, First Special Session chapter 13, section 17, subdivision 5, is canceled. Any additional reductions to the public broadcasting activity shall be in the area of equipment needs.

The commissioner of administration may not reassign a state department, agency, board, or council to different office space, and no state department, agency, board, or council may move to different office space unless the commissioner of administration or the agency has prepared a feasibility study and a fiscal note on the proposed move, and has submitted these documents to the chairs of the house appropriations and senate finance committees for their review at least 30 days before making a commitment to reassign the space or move.

Notwithstanding any law to the contrary, a state agency may purchase supplies, equipment, and other property without prior approval from the commissioner of administration subject only to the following limits: (1) the amount involved is less than

	1986	1987
	\$	\$
<p>\$2,500; and (2) if the amount involved is more than \$100, the agency must solicit at least three price quotations. These quotations may be oral, but the agency must keep a written record of them.</p> <p>\$2,000 the second year of the appropriation in Laws 1985, First Special Session chapter 13, section 17, subdivision 5, for the state employees' band is canceled.</p> <p>The commissioner's office appropriation is reduced by \$123,000 the first year and \$122,000 the second year.</p>		
Sec. 16. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	0	0
<p>During the biennium ending June 30, 1987, the board shall not approve any plans for substantially changing the exterior appearance of any public lands or buildings in the capitol area.</p>		
Sec. 17. COMMISSIONER OF FINANCE	(447,500)	(224,600)
<p>Any unencumbered balance of the appropriation in Laws 1985, First Special Session chapter 13, section 19, subdivision 2, remaining in the first year does not cancel but is available for the second year.</p>		
Sec. 18. COMMISSIONER OF EMPLOYEE RELATIONS	(337,200)	(116,700)
Sec. 19. COMMISSIONER OF REVENUE		
Subdivision 1. Total Appropriations	275,000	2,740,200

	1986	1987
	\$	\$

Summary by Fund

General

191,600 1,661,100

Special

83,400 1,079,100

The reductions from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Revenue Management

(25,000) (205,300)

Subd. 3. Income, Sales, and Use Tax Management

300,000 2,974,500

Summary by Fund

General

216,600 1,895,400

Special

83,400 1,079,100

The commissioner of revenue may use this appropriation to fund any of the compliance initiatives in any program area except that this appropriation is not available for compliance initiatives in the corporate income tax area.

In addition to the amounts of corporate income tax receipts required to be credited to the special revenue fund pursuant to Laws 1985, First Special Session chapter 13, section 21, subdivi-

1986

1987

\$

\$

sion 3, an additional \$83,400 of corporate income tax receipts in the first year and an additional \$1,079,100 of corporate income tax receipts in the second year must be credited to the special revenue fund to be used to fund compliance initiatives.

Subd. 4. Property and Special Taxes Management

0 (25,300)

Summary by Fund

General

0 (25,300)

Highway User

0 0

Subd. 5. Assessors Board

0 (3,700)

Sec. 20. TAX COURT (3,400) (4,700)

Sec. 21. COMMISSIONER OF NATURAL RESOURCES 0 (4,156,900)

The commissioner of natural resources must offer any recreational lodging facilities owned by the state to a private concessionaire who offers a successful bid for a lease arrangement on expiration of current bargaining contract. The lease shall be in a form approved by the attorney general and for a term not to exceed 99 years. The competitive bidding procedures of Minnesota Statutes, section 16B.07, must be followed by the commissioner.

The department of natural resources must execute a lease agreement with a caretaker to reside on land owned by

	1986	1987
	\$	\$
the department in Hennepin county, commonly called "Wolsfeld Woods." The caretaker residing on the land must annually report to the department, in a form and time determined by the commissioner, on the condition of the land encompassing Wolsfeld Woods.		
Sec. 22. ZOOLOGICAL BOARD	0	(205,400)
Sec. 23. WATER RESOURCES BOARD	(65,700)	(125,200)

Of the amount reduced in the second year, \$30,000 is transferred to the commissioner of state planning for expenditure in the biennium ending June 30, 1987. The money will be used to implement water planning studies as found in this article.

Sec. 24. POLLUTION CONTROL AGENCY	(2,647,900)	(2,783,500)
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Summary by Fund

General Fund

(347,900) (111,500)

Environmental

(300,000) (672,000)

Motor Vehicle Transfer Fund

(2,000,000) (2,000,000)

	1986	1987
Approved Complement—	(10)	(20)
General—	0	0
Environmental—	(10)	(20)

1986 1987
\$ \$

The commissioner of finance shall transfer \$2,000,000 the first year and \$2,000,000 the second year from the unencumbered balance of the motor vehicle transfer fund and credit it to the general fund.

The commissioner of finance shall transfer \$300,000 the first year and \$672,000 the second year from the environmental fund to the general fund.

Notwithstanding any law to the contrary, the Pollution Control Agency shall not adopt rules or regulatory strategies for enforcement purposes which are more stringent than those adopted by the federal government.

Sec. 25. WASTE
MANAGEMENT BOARD (97,800) (617,200)

The offices of the waste management board shall not be relocated, and no money appropriated by this paragraph or any other money shall be spent by the commissioner of administration for the relocation of the board, unless the board's authority is extended beyond June 30, 1987.

\$200,000 in the first year of the appropriation in Laws 1985, First Special Session chapter 15, section 3, subdivision 4, paragraph (e), for relocation of the pollution control agency and waste management board is canceled.

Sec. 26. COMMISSIONER OF
ENERGY AND ECONOMIC
DEVELOPMENT (3,856,913) (23,411,200)

	1986	1987
Approved		
Complement—	0	(161.5)
General—	0	(137)

		1986	1987
		\$	\$
Special—	0	(1.5)	
Federal—	0	(23)	

Summary by Fund

General

(3,856,913) (22,678,500)

Special

0 (57,500)

Motor Vehicle Transfer

0 (675,200)

Of the amount reduced in the second year, \$351,700 is transferred to the commissioner of administration for expenditure in the biennium ending June 30, 1987, and four full-time equivalency positions are transferred to the commissioner of administration for small business assistance, licensing information, environmental permit coordination, and information on set-aside contracts. The persons hired by the commissioner of administration to fill the four positions shall be knowledgeable in the areas required, and preference shall be given to those persons who held the positions in the department of energy and economic development.

Of the amount reduced in the second year, \$314,700 is transferred to the commissioner of corrections for expenditure in the biennium ending June 30, 1987, and two full-time equivalency positions are transferred to the commissioner of corrections for the administration of the juvenile justice, youth intervention, and other federally-matched corrections programs. The persons hired by the commissioner of

	1986	1987
	\$	\$

corrections to fill the two positions shall be knowledgeable in the areas required, and preference shall be given to those persons who held the positions in the department of energy and economic development.

The governor's council on rural development, including five full-time equivalencies and all funds are transferred to the department of agriculture. The persons hired by the commissioner of agriculture to fill the five positions shall be knowledgeable in the areas required, and preference shall be given to those persons who held the positions in the department of energy and economic development.

Of the amount reduced in the second year, \$1,032,500 and 29 full-time equivalencies from the general fund and 19 full-time federally-funded equivalencies are transferred to the director of state planning for expenditure in the biennium ending June 30, 1987, to carry out programs in article 2. The commissioner of finance shall transfer the amounts necessary to provide funding to support activities for these programs. The persons hired by the director shall be knowledgeable in the areas required and preference shall be given to those persons who held the positions in the department of energy and economic development.

Of the amount reduced in the second year, \$175,000 and five full-time equivalencies are transferred to the commissioner of revenue for expenditure in the biennium ending June 30, 1987, to carry out programs in article 2. The commissioner of finance shall transfer the amounts necessary to provide funding to support activities for these programs. The persons hired by the commissioner of revenue shall be knowledgeable in the areas required, and preference shall be given to those

1986

\$

1987

\$

persons who held the positions in the department of energy and economic development.

Of the amount reduced in the second year, \$205,000 and three full-time equivalencies are transferred to the state auditor in the biennium ending June 30, 1987, to carry out the programs in article 2. The persons hired by the state auditor shall be knowledgeable in the areas required, and preference shall be given to those persons who held the positions in the department of energy and economic development.

Of the amount reduced in the second year, \$30,000 and one full-time equivalency are transferred to the secretary of state in the biennium ending June 30, 1987, to carry out programs in article 2. The persons hired by the secretary of state shall be knowledgeable in the areas required, and preference shall be given to those persons who held the positions in the department of energy and economic development.

Of the amount reduced in the second year, \$490,000 and 14 full-time equivalencies are transferred to the commissioner of finance in the biennium ending June 30, 1987, to carry out programs in article 2. The commissioner of finance shall transfer the amounts necessary to provide funding to support the activities for these programs. The persons hired by the commissioner of finance shall be knowledgeable in the areas required, and preference shall be given to those persons who held the positions in the department of energy and economic development.

The commissioner of finance shall transfer from the department of energy and economic development to the department of natural resources those

1986 1987
\$ \$

programs mandated to it by the legislative commission on Minnesota resources in the following amounts: recreation grant program, \$1,700,000; biomass energy cash crop projects, \$150,000; extraction from groundwater for public building, \$75,000.

On the effective date of article 2, from the unexpended balance in fiscal year 1986, \$1,614,180 shall be reserved for employee severance costs. Any remaining balance after severance obligations are met shall be returned to the general fund.

Sec. 27. STATE PLANNING AGENCY	(476,500)	(1,686,600)
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Sec. 28. COMMISSIONER OF LABOR AND INDUSTRY	(41,600)	100,400
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	1986	1987
Approved Complement—	7	7
General—	(24)	(24)
Special—	31	31

Summary By Fund

General

	(101,900)	(781,500)
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Special

	60,300	881,900
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The commissioner of labor and industry need not conduct the study of back vests required by Laws 1985, First Special Session chapter 13, section 32, subdivision 8.

Sec. 29. BUREAU OF MEDIATION SERVICES	(19,300)	(53,200)
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	1986	1987
	\$	\$
Grants for area labor-management committees are reduced by \$10,000 the first year and \$50,000 the second year.		
Sec. 30. WORLD TRADE CENTER	(25,000)	(305,200)
Sec. 31. PUBLIC EMPLOYMENT RELATIONS BOARD	(500)	(1,900)
Sec. 32. MILITARY AFFAIRS DEPARTMENT	(262,100)	(133,600)
Sec. 33. COMMISSIONER OF VETERANS AFFAIRS	181,000	244,000

Summary by Fund

General

0 (10,000)

Special

181,000 254,000

The commissioner of finance shall transfer the balance in the war orphans education fund to the veterans relief fund for general relief purposes.

Sec. 34. HOUSING FINANCE AGENCY	(12,115,000)	(11,891,700)
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The housing finance agency may not adopt income standard qualifications for loans at a higher level than those standards required by the United States Department of Housing and Urban Development.

Sec. 35. INDIAN AFFAIRS COUNCIL	(9,000)	(9,000)
Sec. 36. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING PEOPLE	(4,400)	(4,400)
Sec. 37. COUNCIL ON BLACK MINNESOTANS	(4,300)	(4,400)

	1986	1987
	\$	\$
Sec. 38. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	(2,600)	(2,600)
Sec. 39. COUNCIL FOR THE HANDICAPPED	(7,000)	(3,600)
Sec. 40. HUMAN RIGHTS COMMISSIONER	(81,200)	(78,800)
Sec. 41. DEBT SERVICE	7,876,900	(30,017,500)
Sec. 42. MINNEAPOLIS EMPLOYEES RETIREMENT FUND	(751,100)	(3,000,000)
Sec. 43. MINNESOTA STATE RETIREMENT ASSOCIATION	(40,700)	(4,300)
Sec. 44. TEACHERS' RETIREMENT FUND	(11,600)	0
Sec. 45. SALARY SUPPLEMENT	(750,000)	(14,880,600)
(a) General Fund		
	(750,000)	(11,755,700)
(b) State Airport Fund		
	0	(7,000)
(c) Game and Fish Fund		
	0	(400,000)
(d) Trunk Highway Fund		
	0	(2,567,500)
(e) Highway User Tax Distribution Fund		
	0	(150,400)

The salary increases for positions listed in Minnesota Statutes, section

	1986	1987
	\$	\$

15A.081, that were approved by the legislative commission on employee relations during the interim between the 1985 and 1986 legislative sessions are rejected effective on the day following the effective date of this section. The legislative commission on employee relations may not approve any salary increases for positions listed in Minnesota Statutes, section 15A.081, during the interim between the 1986 and 1987 legislative sessions.

Notwithstanding Laws 1985, First Special Session chapter 13, that ratified and appropriated money to pay for salary increases for legislators, judges, and constitutional officers, these increases are rejected and shall not take effect. However, the increase that took effect in January, 1986, shall remain in effect.

\$7,000,000 the second year of the appropriation in Laws 1985, First Special Session chapter 13, section 52, subdivision 1, paragraph (a), for comparability adjustments is canceled.

\$750,000 the first year and \$3,750,000 the second year of the appropriation in Laws 1985, First Special Session chapter 13, section 52, subdivision 1, paragraph (a), for Fair Labor Standards Act adjustments is canceled.

\$7,000 the second year of the appropriation in Laws 1985, First Special Session chapter 13, section 52, subdivision 1, paragraph (b), for comparability adjustments is canceled.

\$50,000 the second year of the appropriation in Laws 1985, First Special Session chapter 13, section 52, subdivision 1, paragraph (c), for comparability adjustments is canceled.

\$350,000 the second year of the appropriation in Laws 1985, First Spe-

	1986	1987
	\$	\$

cial Session chapter 13, section 52, subdivision 1, paragraph (c), for Fair Labor Standards Act adjustments is canceled.

\$650,000 the second year of the appropriation in Laws 1985, First Special Session chapter 13, section 52, subdivision 1, paragraph (d), for comparability adjustments is canceled.

\$1,900,000 the second year of the appropriation in Laws 1985, First Special Session chapter 13, section 52, subdivision 1, paragraph (d), for Fair Labor Standards Act adjustments is canceled.

\$150,000 the second year of the appropriation in Laws 1985, First Special Session chapter 13, section 52, subdivision 1, paragraph (e), for comparability adjustments is canceled.

None of the appropriation from the general fund may be transferred to the special revenue fund.

Sec. 46. Minnesota Statutes 1984, 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;

(6) (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;

(7) (8) as provided in sections 16B.57 and 85.22; or

(8) (9) as otherwise provided by law.

Sec. 47. Minnesota Statutes 1984, section 16B.50, is amended to read:

16B.50 [CENTRAL DUPLICATING AND PRINTING DIVISION.]

The commissioner shall maintain and operate for agencies a central duplicating and printing division (WHICH IS RESPONSIBLE FOR ALL DUPLICATING AND PRINTING). *The commissioner may not require an agency to use the services of the central duplicating and printing division. An agency seeking to obtain duplicating or printing services from a source outside of state government must notify the commissioner.* The commissioner shall prescribe and designate classes of state printing. The duplicating and printing work to be done by the division is restricted to producing any form, booklet or pamphlet to the extent the commissioner deems appropriate.

Sec. 48. Minnesota Statutes 1984, section 84.01, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of Laws 1969, Chapter 1129, sections 48 to 56, and 59 to 62, and to other applicable laws the commissioner shall organize the department and employ (TWO ASSISTANT COMMISSIONERS, BOTH OF WHOM) *a deputy commissioner who shall serve at the pleasure of the commissioner in the unclassified service, (ONE OF WHOM SHALL HAVE RESPONSIBILITY FOR COORDINATING AND DIRECTING THE PLANNING OF EVERY DIVISION WITHIN THE AGENCY,)* and such other officers, employees, and agents as he may deem necessary to discharge the functions of his department, define the duties of such officers, employees, and

agents and to delegate to them any of his powers, duties, and responsibilities subject to his control and under such conditions as he may prescribe. Appointments to exercise delegated power shall be by written order filed with the secretary of state.

Sec. 49. [84.012] [PURPOSE.]

The purpose of sections 48 to 56, and 59 to 62 is to further increase the accountability of the commissioner of natural resources by emphasizing the commissioner's primary responsibility for actions of the department, and to decentralize the field or out-state functions of the department now taken at the division level, by strengthening the role of the department's six administrative regions. By emphasizing the accountability of the commissioner and strengthening the role of the department's administrative regions, it is the legislature's purpose to:

(1) bring the administration and field functions of the department closer to the regional residents and thereby make the department more responsive to regional needs;

(2) recognize the diversity of the state's natural resources and facilitate planning around regional resources;

(3) reduce the control of the department's headquarters or central office and to thereby increase the opportunities for interdisciplinary exchanges and career development opportunities among department employees; and

(4) provide more effective, efficient, and accountable management of the state's natural resources.

Sec. 50. [84.014] [STRUCTURE OF DEPARTMENT.]

Subdivision 1. [CENTRAL OFFICE; REGIONS.] The department of natural resources consists of:

(1) a central office, composed of the office of the commissioner and deputy commissioner and four administrative units as provided in section 51; and

(2) geographically-designated administrative regions and areas as provided in section 52.

Subd. 2. [DEPARTMENT COORDINATING COMMITTEE.] There is created a department coordinating committee as provided for in section 53. The committee consists of the commissioner, deputy commissioner, and the directors of each of the regions.

Subd. 3. [CITIZENS REGIONAL ADVISORY COMMITTEE.] There is created a citizens advisory committee as pro-

vided for in section 52, subdivision 5, in each of the administrative regions.

Sec. 51. [84.016] [CENTRAL OFFICE.]

Subdivision 1. [ORGANIZATION.] The department central office is composed of the offices of the commissioner and deputy commissioner and the four administrative units provided in subdivisions 4 to 7. Each of the four units is under the immediate charge of a unit administrator, who shall be chosen by the commissioner, shall be knowledgeable and experienced in public administration, and shall serve in the unclassified service.

Subd. 2. [EMPLOYEE RATIOS.] The central office shall contain no more than one-sixth the total full-time employees of the department.

Subd. 3. [LEGAL COUNSEL.] The commissioner may choose and employ private legal counsel who shall be designated as special assistant attorney general.

Subd. 4. [ADMINISTRATIVE SERVICES UNIT.] The administrative services unit administrator may employ no more than seven managers to oversee the business of the unit. It is the duty of the commissioner, through the administrative services unit, to:

(1) provide financial management, including budgeting and audit services to the department;

(2) apply for and administer federal grants and administer cash gifts;

(3) provide assistance in personnel matters, including affirmative action requirements; the administrative services unit may not make ultimate employment decisions for regional positions;

(4) coordinate office services, licensing, and other records information systems; coordinate procurement of supplies and equipment of the department; and provide for a department library that shall be accessible to both department employees and members of the public;

(5) coordinate the enforcement operation of all conservation officers;

(6) coordinate planning and policymaking for the department programs administered by the unit;

(7) *acquire, exchange, sell and lease lands, but not timber permits, and minerals for the department, consistent with policies, law, and constitutional requirements of the state; the unit shall also keep and maintain all records, maps, and other documents relating to lands and minerals, including records of ownership rights as supplied by regional surveying teams; records shall also be kept of lands and mineral transactions to provide equitable rental and royalty income for land and mineral accounts; administer the mined land reclamation, and in lieu of tax payments programs;*

(8) *review and report to the commissioner, at the commissioner's discretion, on the budget planning process of the regional directors that are not reviewed and reported by the administrators of the lands and waters units; and*

(9) *provide other and further services in support of the regional directors consistent with the purposes of the unit, as assigned by the commissioner.*

Subd. 5. [COMMUNITY DEVELOPMENT UNIT.] *The administrator of the community development unit may employ no more than two managers to oversee the business of the unit. It is the duty of the commissioner, through the community development unit, to:*

(1) *coordinate planning and policymaking for the department programs administered by the unit, including the youth conservation corps program; coordinate the operation of volunteer programs and the tourism functions of the department;*

(2) *provide and coordinate department research services to collect data and information on forestry, wildlife, fisheries, minerals, climate, waters, and demography; in providing research services, the unit shall establish, within the limits of appropriations, joint research programs with the University of Minnesota and the units of the state university system designated in sections 136.01 and 136.017, and other public and private educational institutions, and in so doing, the unit may station department personnel at any of the universities, colleges, or institutions; and*

(3) *provide such other and further services in support of the regional directors, consistent with the purposes of the unit, as assigned by the commissioner.*

Subd. 6. [LANDS UNIT.] *The administrator of the lands unit may employ no more than three managers to oversee the business of the unit. It is the duty of the commissioner, through the lands unit, to:*

(1) *coordinate department programs in the areas of forestry, including forest management and firefighting; wildlife, includ-*

ing special game management and wildlife acquisition; and recreation, including forest recreation, trails, parks, water recreation, and recreation vehicles;

(2) coordinate planning and policymaking for the department programs administered by the unit, including forestry management and guidelines, wildlife population goals, and establishing hunting season times and other rules;

(3) review and report to the commissioner, at his discretion, on the budget planning of the regional directors in the subject areas administered by the unit; and

(4) provide such other and further services in support of the regional directors, consistent with the purposes of the unit, as assigned by the commissioner.

Subd. 7. [WATERS UNIT.] The administrator of the waters unit may employ no more than two managers to oversee the business of the unit. It is the duty of the commissioner, through the waters unit, to:

(1) coordinate department programs in the areas of fisheries, including fish management and hatcheries; and water administration, including water use management and water information systems;

(2) coordinate planning and policy making for the department programs administered by the unit, including setting fish population goals and establishing fishing season times and other rules;

(3) review and report to the commissioner, at his discretion, on the budget planning of the regional directors in the subject areas of waters and fisheries;

(4) develop and critique rules for water permit and shoreland administration; and

(5) provide such other and further services in support of the regional directors, consistent with the purposes of the unit, as assigned by the commissioner.

Sec. 52. [84.018] [GEOGRAPHIC REGIONS AND AREAS.]

Subdivision 1. [DESIGNATION OF REGIONS; HEAD-QUARTERS.] The department's field operations are divided into those geographic regions designated by the commissioner on June 28, 1974. Each region shall have a regional headquarters at a place designated by the commissioner. A regional headquarters may employ no more than one-fifth of the total number of re-

gional employees, unless the additional employee serves more than one region.

Subd. 2. [DIVISION OF REGIONS INTO AREAS; AREA SUPERVISOR AND BUDGET.] The director of each region shall further divide the region into administrative areas for administrative and management purposes. The area's boundaries shall be based upon the existence, use, and administration of natural resources within the region and shall be designed to facilitate efficiency in management of the resource and use of regional personnel. Each area within a region is under the immediate charge of an area supervisor who shall be appointed by the regional director and who shall be knowledgeable in the administration of the area supervised.

Subd. 3. [REGIONAL DIRECTOR; DEPUTY DIRECTOR.] The commissioner shall appoint a regional director and deputy regional director to oversee the business of each region. The directors and deputy directors serve at the pleasure of the commissioner, the director in the unclassified service, and the deputy director in the classified service. Regional directors shall be knowledgeable and experienced in public administration and shall perform those duties assigned by the commissioner. Deputy regional directors shall perform those duties assigned by the regional directors. Regional directors shall give a bond to the state in an amount determined by the department of administration.

Subd. 4. [REGION ADMINISTRATION.] Each regional director shall provide for region administration for the functions of planning, lands and minerals, waters, community liaison, enforcement, and office management and shall appoint a manager for each function in the regional office who shall be assigned those duties determined by the regional director.

Department employees in each area and region shall have job descriptions that are the same from area to area and region to region, but the percentage of time spent on any employment activity may differ based on the resource characteristics of the area and region.

Subd. 5. [BUDGET DEVELOPMENT.] Each regional director shall develop and propose a division budget to the commissioner. Revenues derived from general fund appropriations and from the various dedicated funding sources shall be divided among regions and within a region and area according to the percentage of time spent by the regions and areas in managing the resource for which the appropriation has been made or the fund has been dedicated.

Subd. 6. [REGIONAL CITIZENS' ADVISORY COMMITTEE.] There is a citizens' advisory committee in each region, composed of nine residents of the region, who shall be interested

in the natural resources of the region and shall be appointed by the regional director. Members shall be appointed for terms of four years, except that initial appointments shall be for terms of differing number of years as determined by the regional director. Members shall not be considered employees or agents of the department for any purpose and shall receive no compensation of any kind for their service on a committee. The committee shall advise the regional director on subjects concerning the administration and management of the region and its natural resources. Advisory committees shall elect a chair and vice chair and shall meet at the call of the chair, but no less often than four times each year. Written minutes shall be made of each meeting with the assistance of staff provided by the regional director.

Sec. 53. [84.02] [DEPARTMENT COORDINATING COMMITTEE.]

There is a department coordinating committee composed of the commissioner, deputy commissioner, and the regional directors. The committee shall be chaired by the commissioner, and shall meet at least quarterly, and at other times specified by the commissioner. The committee shall make recommendations to the commissioner to coordinate the policy, planning, and budgeting of the department and make other recommendations to the commissioner concerning the operation of the department as the committee shall determine. The deputy commissioner shall appoint department employees to serve as full-time staff to the committee. Committee members shall be compensated in the manner provided by section 15.0575, subdivision 3. Written minutes of each committee meeting shall be made with the assistance of the staff provided by the deputy commissioner.

Sec. 54. Minnesota Statutes 1984, section 84.028, subdivision 3, is amended to read:

Subd. 3. The operation of the game warden service in the division of game and fish as constituted before July 1, 1967 is under the direct control and supervision of the commissioner. The name of the personnel in such game warden service is changed to conservation officers. Conservation officers shall continue to have the powers and duties of game wardens as they existed before July 1, 1967 and may be assigned to public relations, conservation instructional activities, and the enforcement of laws relating to resources management which the commissioner shall direct. (THE COMMISSIONER SHALL CREATE A SEPARATE DIVISION ENTITLED THE DIVISION OF ENFORCEMENT AND FIELD SERVICE, TO BE COMPOSED OF CONSERVATION OFFICERS AND SHALL APPOINT A DIRECTOR OF THE DIVISION. THE COMMISSIONER MAY PLACE THE DIRECTOR'S POSITION IN THE UNCLASSIFIED SERVICE IF THE POSITION MEETS THE CRITERIA ESTABLISHED IN SECTION 43A.08, SUBDIVISION 1A.)

Sec. 55. Minnesota Statutes 1984, section 84.082, is amended to read:

84.082 [VACANCIES.]

In case of a vacancy in the office of commissioner or of any *regional director or unit administrator*, his deputy shall have all of the powers and perform all of the duties thereof until a successor, either as an acting or regular incumbent, has been appointed and has qualified; provided, no deputy commissioner serving as commissioner in the event of a vacancy shall have power to discharge a director or to revise or change the assignments of activities among the (DIVISIONS) *regions or other units* of the department or to designate another deputy. While serving in such vacated office a deputy shall receive the same salary as the regular incumbent.

Sec. 56. Minnesota Statutes 1984, section 84.086, is amended to read:

84.086 [SEALS, UNIFORMS AND BADGES.]

Subdivision 1. [SHALL HAVE SEALS.] The department of natural resources (AND THE SEVERAL DIVISIONS THEREOF) shall have seals in the form and design heretofore adopted, bearing the words "State of Minnesota, Department of Natural Resources (,)" (ALSO, IN CASE OF A DIVISION SEAL, THE TITLE OF THE DIVISION). The seals may be used to authenticate the official acts of the commissioner (OR THE DIRECTORS, RESPECTIVELY), but omission or absence of the seal shall not affect the validity or force of any such act.

Subd. 2. [COMMISSIONER MAY FURNISH BADGES AND UNIFORMS.] (a) The commissioner may provide for the issuance at state expense of such badges and uniforms as he may deem necessary and suitable for officers or employees of the department (AND ITS DIVISIONS).

(b) Uniforms for conservation officers and their supervisors shall be equipped with distinctive emblems, and shall be distinctive from the uniforms of any (DIVISION OR) section of the department of natural resources, the state patrol, or any other state department or agency.

Sec. 57. Minnesota Statutes 1984, section 84.54, is amended to read:

84.54 [TOPOGRAPHIC SURVEY.]

The commissioner of (ENERGY, PLANNING AND DEVELOPMENT) *natural resources* shall study the general topographic survey and mapping needs of the state (, AND SHALL ADVISE

THE COMMISSIONER OF NATURAL RESOURCES IN DETERMINING THE ORDER OF SURVEYS AND OTHERWISE PLANNING THE OPERATIONS,) and shall promote coordination of survey and mapping activities of public and private agencies within the state.

Sec. 58. Minnesota Statutes 1984, section 85.016, is amended to read:

85.016 [BICYCLE TRAIL PROGRAM.]

The commissioner of natural resources shall establish a program for the development of bicycle trails utilizing the state trails authorized by section 85.015, other state parks and recreation land, and state forests. "Bicycle trails", as used in this section, includes bicycle lanes and bicycle ways as those terms are used in sections 160.263 and 160.264. The program shall be coordinated with the (LOCAL PARK TRAIL GRANT PROGRAM ESTABLISHED BY THE COMMISSIONER OF ENERGY, PLANNING AND DEVELOPMENT PURSUANT TO SECTION 116J.406, WITH THE) bicycle trail program established by the commissioner of transportation pursuant to section 160.265, and with existing and proposed local bicycle trails. In the metropolitan area as defined in section 473.121, the program shall be developed in accordance with plans and priorities established by the metropolitan council. The commissioner shall provide technical assistance to local units of government in planning and developing bicycle trails in local parks. The bicycle trail program shall, as a minimum, describe the location, design, construction, maintenance and land acquisition needs of each component trail and shall give due consideration to the model standards for the establishment of recreational vehicle lanes promulgated by the commissioner of transportation pursuant to section 160.262. The program shall be developed after consultation with the state trail council and regional and local units of government and bicyclists organizations.

Sec. 59. Minnesota Statutes 1984, section 97.41, subdivision 2, is amended to read:

Subd. 2. All provisions of chapters 97 to 102 shall be construed as subject to, and not changing or modifying the authority of the commissioner to delegate powers, duties and functions as conferred by (SECTIONS 84.083 AND) *section* 84.088.

Sec. 60. Minnesota Statutes 1984, section 105.40, subdivision 1, is amended to read:

Subdivision 1. (THE DIRECTOR OF THE DIVISION OF WATERS, SOILS AND MINERALS OF THE DEPARTMENT OF NATURAL RESOURCES SHALL BE A REGISTERED PROFESSIONAL ENGINEER, SKILLED IN HYDRAULICS.

UNDER THE DIRECTION OF) The commissioner (, HE) shall make the surveys and engineering investigations required by sections 105.37 to 105.55 and perform the following duties.

Sec. 61. Minnesota Statutes 1984, section 105.40, subdivision 2, is amended to read:

Subd. 2. A complete copy of all preliminary and final engineers' maps, plans and reports on all public ditches hereafter initiated in the state shall be filed in the office of the (DIRECTOR) *commissioner or the commissioner's designee* by the respective county auditors or clerks of district court, and the (DIRECTOR) *commissioner or the commissioner's designee* shall report thereon to the county boards of commissioners or judges of the district court, as required by the county and judicial ditch laws of this state.

Sec. 62. [IMPLEMENTATION AND TRANSITION.]

Subdivision 1. [COMMISSIONER'S DUTIES.] The commissioner of natural resources shall on July 1, 1986, begin to implement sections 48 to 56, and 59 to 62. The commissioner may take any action not otherwise prohibited by law to implement those sections and shall complete the changes required by those sections on December 31, 1986.

Subd. 2. [CONTINUATION OF PROGRAMS AND PROCEEDINGS.] The provisions of sections 48 to 56, and 59 to 62 enact a reorganization of the structure of the department of natural resources and shall be construed to be a continuation of the programs administered by the department and a continuation of the powers of the commissioner except as expressly limited or changed by those sections. Elimination of or changes in the department's programs shall not be made by the commissioner unless expressly required by sections 48 to 56, and 59 to 62 or other law or appropriations, and all actions and proceedings involving the department pending on the effective date of sections 48 to 56, and 59 to 62 continue with the same force and effect after July 1, 1986.

Subd. 3. [EMPLOYEES AND POSITIONS.] (a) To the maximum extent possible, all employee positions existing on the effective date of sections 48 to 56, and 59 to 62 and all persons employed by the department on that date shall be continued and retained after July 1, 1986, and any employees not retained after that date have a preference in application for any position with the department for which they are otherwise qualified.

(b) For any position proposed by the commissioner of natural resources to be created or reclassified as a result of the commissioner's action under subdivision 1, the commissioner of employee relations shall, within 45 days after receipt of the

commissioner's proposed creation or reclassification, forward recommendations to the commissioner concerning the positions proposed to be created or reclassified. The commissioner of natural resources shall consider the recommendations of the commissioner of employee relations in creating or reclassifying the positions, and those positions are not subject to any further regulation by the commissioner of employee relations until the commissioner of natural resources has complied with subdivision 1.

(c) Employees of any of the divisions of waters, minerals, forestry, fish and wildlife, parks and recreation, trails and waterways, and enforcement and field services, as those divisions exist on the date prior to the effective date of this section, are eligible for any comparable position, in any region or area created under section 52, in which they are knowledgeable.

Subd. 4. [APPROPRIATION.] The legislative commission on Minnesota resources may make available to the commissioner the amount of money the commission determines necessary to implement sections 48 to 56, and 59 to 62 that is not otherwise available to the commissioner.

Sec. 63. Minnesota Statutes 1985 Supplement, section 110B.-02, is amended by adding a subdivision to read:

Subd. 2a. [AGENCY.] "Agency" means the state planning agency or its director.

Sec. 64. Minnesota Statutes 1985 Supplement, section 110B.-08, subdivision 5, is amended to read:

Subd. 5. [STATE REVIEW.] (a) After conducting the public hearing but before final adoption, the county board must submit its comprehensive water plan, all written comments received on the plan, a record of the public hearing under subdivision 4, and a summary of changes incorporated as a result of the review process to the (BOARD) agency for review. The (BOARD) agency shall complete the review within 90 days after receiving a comprehensive water plan and supporting documents. The (BOARD) agency shall consult with the departments of agriculture, health, and natural resources; the pollution control agency; (THE STATE PLANNING AGENCY; THE ENVIRONMENTAL QUALITY BOARD;) and other appropriate state agencies during the review.

(b) The board may disapprove a comprehensive water plan if the board determines the plan is not consistent with state law. If a plan is disapproved, the board shall provide a written statement of its reasons for disapproval. A disapproved comprehensive water plan must be revised by the county board and resubmitted for approval by the board within 120 days after receiving

notice of disapproval of the comprehensive water plan, unless the board extends the period for good cause. The decision of the board to disapprove the plan may be appealed by the county to district court.

Sec. 65. Minnesota Statutes 1985 Supplement, section 110B.10, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The board shall:

(1) develop guidelines for the contents of comprehensive water plans that provide for a flexible approach to meeting the different water and related land resources needs of counties and watersheds across the state;

(2) coordinate assistance of state agencies to counties and other local units of government involved in preparation of comprehensive water plans, including identification of pertinent data and studies available from the state and federal government;

(3) conduct an active program of information and education concerning the requirements and purposes of sections 110B.01 to 110B.30 in conjunction with the association of Minnesota counties;

(4) determine contested cases under section 110B.25; *and*

(5) (ESTABLISH A PROCESS FOR REVIEW OF COMPREHENSIVE WATER PLANS THAT ASSURES THE PLANS ARE CONSISTENT WITH STATE LAW; AND)

((6)) report to the legislative commission on Minnesota resources as required by section 110B.28.

Sec. 66. Minnesota Statutes 1984, section 112.36, is amended by adding a subdivision to read:

Subd. 4a. [AGENCY.] "*Agency*" means the state planning agency.

Sec. 67. Minnesota Statutes 1984, section 115A.15, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] By January 1 of each odd-numbered year, the commissioner of administration shall submit a report to the governor and to the *chair of the* legislative commission on *waste management* summarizing past activities and proposed goals of the program for the following biennium. By July 1 of each even-numbered year director of the pollution control agency (AND THE COMMISSIONER OF ENERGY, PLANNING AND DEVELOPMENT) shall submit recommendations to the commissioner regarding the operation of the program.

Sec. 68. [115A.306] [STATE INDEMNIFICATION OF DEVELOPER AND HAULER.]

Subdivision 1. [GENERAL PRINCIPLE OF INDEMNITY.] Notwithstanding any other provision of law, a person developing an integrated facility under sections 115A.18 to 115A.30 or, an owner or operator of the facility shall be indemnified under this section without subrogation for any damages, loss, expense, or costs that result from the release, as defined in section 115B.02, subdivision 15, or threatened release of a hazardous waste by the owner or operator.

Subd. 2. [METHOD OF INDEMNIFICATION.] The state shall in a manner determined by the agency, provide indemnity by direct payment, insurance, coinsurance, or any other method, upon proof by the owner or operator satisfactory to the agency of an indemnifiable damage, loss, expense, or cost.

Subd. 3. [APPROPRIATION.] The amount necessary to indemnify an owner or operator and to pay the administrative costs of the agency under this section is annually appropriated to the agency from the environmental response, compensation and compliance fund created in section 115B.20, subdivision 1.

Sec. 69. Minnesota Statutes 1984, section 115A.912, is amended by adding a subdivision to read:

Subd. 4. [AGENCY ACTION.] If after issuing an abatement order the agency determines the owner cannot or will not take financial responsibility for the recycling of the waste tires, the agency shall develop a remedial investigation or action plan, advertise for competitive bids, and award a contract as provided in chapter 16B. The agency shall notice in the State Register the specifications for the remedial action. The agency may request reports in the contract on the progress of the cleanup, the process which will be used in the recycling, and any other information necessary to determine compliance with the contract.

Sec. 70. Minnesota Statutes 1984, section 115B.20, subdivision 5, is amended to read:

Subd. 5. [(RECOMMENDATION BY LCWM) RECOMMENDATIONS.] The (LEGISLATIVE COMMISSION ON WASTE MANAGEMENT) *pollution control agency* shall make recommendations to the standing legislative committees on finance and appropriations regarding appropriations from the fund.

Sec. 71. Minnesota Statutes 1984, section 115B.20, subdivision 6, is amended to read:

Subd. 6. [REPORT TO LEGISLATURE.] By November 1, 1984, and each year thereafter, the agency shall submit to the

senate finance committee, the house appropriations committee and the *chair of the* legislative commission on waste management a report detailing the activities for which money from the environmental response, compensation and compliance fund has been spent during the previous fiscal year.

Sec. 72. Minnesota Statutes 1984, section 116.07, is amended by adding a subdivision to read:

Subd. 10. [RULES; FEDERAL STANDARDS.] Notwithstanding any law to the contrary, except in the case of low level and high level radioactive waste, the pollution control agency may not adopt rules or regulatory strategies that are more stringent than those adopted by the federal government.

Sec. 73. Minnesota Statutes 1984, section 116J.406, subdivision 2, is amended to read:

Subd. 2. [GRANTS FOR PARKS AND TRAILS.] The commissioner of *natural resources* 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.

Sec. 74. Minnesota Statutes 1984, section 116J.406, subdivision 3, is amended to read:

Subd. 3. [GRANTS FOR TRAILS IN LOCAL PARKS.] The commissioner of *natural resources* 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 costs of the betterment of the trail.

Sec. 75. Minnesota Statutes 1984, section 116J.406, subdivision 4, is amended to read:

Subd. 4. [GRANTS FOR LOCAL OUTDOOR ATHLETIC COURTS.] The commissioner of *natural resources* 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 shall 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.

Sec. 76. Minnesota Statutes 1984, section 116J.406, subdivision 5, is amended to read:

Subd. 5. [POWERS; RULES.] The commissioner of *natural resources* shall have all powers necessary and convenient in order to establish programs for recreational betterment grants-in-aid for parks, trails, and athletic courts pursuant to this section including, but not limited to, the authority to adopt rules for the programs, pursuant to chapter 14, and emergency rules to commence immediately the programs, pursuant to sections 14.05 to 14.36.

Sec. 77. Minnesota Statutes 1984, section 160.265, subdivision 1, is amended to read:

Subdivision 1. [STATE BICYCLE TRAILS.] The commissioner of transportation shall establish a program for the development of bicycle trails primarily on existing road rights of way. "Bicycle trails", as used in this section, includes bicycle lanes and bicycle ways as those terms are used in sections 160.263 and 160.264. The program shall include a system of bicycle trails to be established, developed, maintained, and operated by the commissioner of transportation and a system of state grants for the development of local bicycle trails primarily on existing road rights of way. The program shall be coordinated with the local park trail grant program established by the commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *natural resources* pursuant to section 116J.406, with the bicycle trail program established by the commissioner of natural resources pursuant to section 85.016, with the development of the statewide transportation plan pursuant to section 174.03, and with existing and proposed local bicycle trails. In the metropolitan area as defined in section 473.121, the program shall be developed in accordance with plans and priorities established by the metropolitan council. The program shall be developed after consultation with the state trail council, local units of government, and bicyclist organizations. The program shall be administered in accordance with the provisions of sections 160.262 to 160.264 and standards promulgated pursuant thereto. The commissioner shall compile and maintain a current registry of bicycle trails in

the state and shall publish and distribute the information contained in the registry in a form and manner suitable to assist persons wishing to use the trails. The metropolitan council, the commissioner of natural resources, (THE COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT,) the Minnesota historical society, and local units of government shall cooperate with and assist the commissioner of transportation in preparing the registry. The commissioner shall have all powers necessary and convenient to establish the program pursuant to this section including but not limited to the authority to adopt rules pursuant to chapter 14.

Sec. 78. Minnesota Statutes 1984, section 161.1419, subdivision 8, is amended to read:

Subd. 8. The commission shall expire on (THE DATE PROVIDED BY SECTION 15.059, SUBDIVISION 5) *June 30, 1986.*

Sec. 79. Minnesota Statutes 1984, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee sustains an injury arising out of and in the course of employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or the employee's dependents shall nevertheless receive benefits as provided for in this chapter from the special compensation fund, and the commissioner has a cause of action against the employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. As used in this subdivision, "employer" includes officers of corporations who have legal control, either individually or jointly with another or others, of the payment of wages. An action to recover the moneys shall be instituted unless the commissioner determines that no recovery is possible. All moneys recovered shall be deposited in the (GENERAL) *special compensation* fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 80. Minnesota Statutes 1984, section 176.183, subdivision 1a, is amended to read:

Subd. 1a. When an employee or the employee's dependent is entitled to benefits under this chapter from a self-insurer, present or past, other than the state and its municipal subdivisions, but the self-insurer fails to pay the benefits, the employee or the employee's dependents, regardless of the date when the accident, personal injury, occupational disease, or death occurred, shall nevertheless receive the benefits from the special compensation fund. The commissioner has a cause of action against the self-insuring employer for reimbursement for all benefits and

other expenditures paid out or to be paid out and, in the discretion of the court, the self-insurer is liable for punitive damages in an amount not to exceed 50 percent of the total of all benefits and other expenditures paid out or to be paid out. The commissioner shall institute an action to recover the total expenditures from the fund unless the commissioner determines that no recovery is possible. All proceeds recovered shall be deposited in the (GENERAL) *special compensation fund*.

Sec. 81. Minnesota Statutes 1984, section 176.603, is amended to read:

176.603 [COST OF ADMINISTERING CHAPTER, PAYMENT.]

The annual cost to the commissioner of the department of labor and industry of administering this chapter in relation to state employees and the necessary expenses which the department of labor and industry or the attorney general incurs in investigating, *administering*, and defending a claim against the state for compensation shall be paid from (THE MONEYS BIENNIALY APPROPRIATED TO THE DEPARTMENT AND NOT FROM) the state compensation revolving fund.

Sec. 82. Minnesota Statutes 1984, section 176.611, subdivision 2, is amended to read:

Subd. 2. [(SELF-SUSTAINING) STATE DEPARTMENTS.] (EXCEPT THAT THE TRANSPORTATION DEPARTMENT) *Every department of the state, including the University of Minnesota, shall reimburse the fund for moneys paid (TO ITS EMPLOYEES OR THEIR DEPENDENTS) for the administration of its claims at such times and in such amounts as the commissioner of the department of labor and industry (ORDERS, EVERY SELF-SUSTAINING DEPARTMENT OF THE STATE SHALL PAY INTO SUCH FUND AT THE END OF EVERY FISCAL YEAR SUCH AMOUNTS AS THE COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall certify has been paid out of the fund (FOR) on its (EMPLOYEES OR THEIR DEPENDENTS) behalf. (FOR THE PURPOSES OF THIS SECTION, A "SELF-SUSTAINING DEPARTMENT" IS ONE IN WHICH THE INCOME AND REVENUE FROM ITS ACTIVITIES SUBSTANTIALLY OFFSETS ITS COST OF OPERATION) The heads of the departments shall anticipate these payments by including them in their budgets.*

Sec. 83. Minnesota Statutes 1984, section 197.23, subdivision 2, is amended to read:

Subd. 2. [(ACCOUNT) FUNDS FOR MARKER PURCHASE.] (AN ACCOUNT MUST BE CREATED BY THE DEPARTMENT OF FINANCE UNDER THE CONTROL OF

THE COMMISSIONER OF VETERANS AFFAIRS THAT MUST BE USED TO PURCHASE MARKERS. THE COMMISSIONER SHALL PROVIDE THE AVAILABLE FUNDS FOR EACH COUNTY IN THE RATIO OF THE NUMBER OF MARKERS PLACED IN THE COUNTY TO THE TOTAL NUMBER OF MARKERS PLACED IN APPROXIMATELY THE SAME RATIO AS FUNDS THAT MAY BE RECEIVED FROM THAT COUNTY TO THE TOTAL AMOUNT OF FUNDS.) *As cash flow permits in the veterans relief fund, the commissioner shall provide to county veterans service officers or any congressionally chartered veterans organization matching money for the purchase of bronze star grave markers. The funds of each county includes the county government and any donations from organizations and individuals that are headquartered or resident in the county.*

Sec. 84. Minnesota Statutes 1984, section 197.481, is amended by adding a subdivision to read:

Subd. 9. [ADMINISTRATIVE HEARING COSTS.] Any amounts billed to the commissioner or the department of veterans affairs by the office of administrative hearings for veterans preference contested case hearings shall be assessed by the office of administrative hearings or the department of veterans affairs against the public employer. The assessment shall be paid into the state treasury within 30 days after a bill has been mailed to the public employer. The bill constitutes notice of the assessment and demand for payment of it. Money received shall be credited to a special account and is appropriated to the department of veterans affairs for payment to the office of administrative hearings. Assessment costs will include administrative law judge's fees, administrative costs by the office of administrative hearings, transcription of hearing tapes if requested, and travel and per diem rates to and from hearing locations.

Sec. 85. Minnesota Statutes 1984, section 197.481, is amended by adding a subdivision to read:

Subd. 10. [INTEREST ON ASSESSMENTS.] The amounts assessed against any public employer not paid after 30 days after the mailing of a notice advising the public employer of the amount assessed against it, shall draw interest at the rate of one percent per month, and upon failure to pay the assessment the attorney general shall proceed by action in the name of the state against the public employer to collect the amount due, together with interest and the cost of the suit.

Sec. 86. Minnesota Statutes 1984, section 270.067, subdivision 5, is amended to read:

Subd. 5. [REVENUE ESTIMATES; LEGISLATIVE BILLS.] Upon reasonable notice from the chairman of the

house or senate tax committee that a bill is scheduled for hearing, the commissioner of revenue shall prepare an estimate of the effect on the state's tax revenues which would result from the passage of a legislative bill establishing, extending, or restricting a tax expenditure. (THESE REVENUE ESTIMATES SHALL CONTAIN THE SAME INFORMATION AS PROVIDED IN SUBDIVISION 4 FOR EXPENDITURE ITEMS CONTAINED IN THE TAX EXPENDITURE BUDGET, AS APPROPRIATE.)

Sec. 87. Minnesota Statutes 1985 Supplement, section 270A.07, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION REQUIREMENT.] On or before December 15 any claimant agency, seeking collection of a debt through set-off against a refund due in the succeeding year, shall submit to the commissioner information indicating the amount of each debt and information identifying the debtor, as required by section 270A.04, subdivision 3. Subject to the notification deadline specified above, the notification shall be effective only to initiate set-off for claims against refunds that would be made in the calendar year subsequent to the year in which notification is made to the commissioner.

Except for certifications where the recaptured amount will be deposited as nondedicated general fund receipts, the claimant agency shall submit to the commissioner the amount of \$3 per certification. The payment must accompany the certification. The claimant agency shall increase the amount of each debt certified by \$3 and this total amount is subject to recapture. If the total debt is not recaptured by the commissioner, the \$3 addition to the debt may be collected by the claimant agency from the debtor and must be considered an obligation of the debtor. The \$3 will not be refunded if the recapture is not accomplished.

Sec. 88. Minnesota Statutes 1984, section 271.01, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP, APPOINTMENT, QUALIFICATIONS.] There is hereby created a tax court as an independent agency of the executive branch of the government. The tax court shall consist of three judges, each of whom shall be *learned in the law* and a citizen of the state (.). *The tax court judges shall be appointed by the governor, by and with the advice and consent of the senate, for a term of six years commencing at the expiration of the preceding term. Any vacancy shall be filled by the governor for the unexpired term, subject to confirmation by the senate. The terms of the judges shall end on the first Monday in January. The terms of the judges shall be staggered. The initial three terms to be filled pursuant to Laws 1977, Chapter 307 will expire on the first Monday in January in the following years: 1979, 1981,*

and 1983. Judges may serve until their successors are appointed and qualify. They shall be selected on the basis of their experience with and knowledge of taxation (AND), tax laws, and civil litigation. The judges of the tax court shall be subject to the provisions of the Minnesota Constitution, Article VI, Section 6, the jurisdiction of the commission on judicial standards, as provided in sections 490.15 and 490.16, and the provisions of the code of judicial conduct.

Sec. 89. Minnesota Statutes 1984, section 271.01, is amended by adding a subdivision to read:

Subd. 1a. [RETIRED JUDGES.] Upon the retirement of any judge of the tax court or the district court, the chief judge of the tax court may, with the retired judge's consent, assign the retired judge to hear any case properly assignable to a judge of the tax court and to act on it with the full powers of a judge of the tax court. A retired judge performing this service shall receive pay and expenses in the amount and manner provided by law for judges serving on the court, less the amount of retirement pay which the judge is receiving pursuant to chapter 352 or 490.

Sec. 90. [462.3971] [COUNTY WITHDRAWAL.]

A county board may by resolution decide to withdraw the county from the commission. The decision takes effect upon notification of the commission by the county. When a county withdraws from a commission, the commission may not include members from the county board or from governmental units within the county or members who are residents of the county. When a county withdraws from a commission, the county and governmental units within the county are not subject to the provisions of sections 462.381 to 462.398, except that any tax levied by the commission under sections 462.396 or 462.397 before notification of county withdrawal remains in force and effect in accordance with the terms of the levy certification.

Sec. 91. Minnesota Statutes 1984, section 471.992, is amended to read:

471.992 [EQUITABLE COMPENSATION RELATIONSHIPS.]

Subject to sections 179A.01 to 179A.25 but notwithstanding any other law to the contrary, every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees. In all interest arbitration held pursuant to sections 179A.01 to 179A.25, the arbitrator shall follow the equitable compensation relationship standards established under Laws 1984, chapter 651, sections 1 to 10. This section will become effective August 1, (1987) 1989.

Sec. 92. Minnesota Statutes 1984, section 471.996, is amended to read:

471.996 [PRIVATE DATA.]

Except as provided in section 471.995, the results of any job evaluation system established under section 471.994 and the reports compiled under section 471.995 shall be considered personnel data as defined in section 13.43, subdivision 1, and treated as private data under section 13.43, subdivisions 4 and 5, until July 31, (1987) 1989. The director of mediation services is authorized to release the job evaluation system results and reports to labor organizations as provided under section 13.43, subdivision 6.

Sec. 93. Minnesota Statutes 1984, section 471.997, is amended to read:

471.997 [HUMAN RIGHTS ACT EXCEPTION.]

Neither the commissioner of human rights nor any state court shall use or consider the results of any job evaluation system established under section 471.994 and the reports compiled under section 471.995 in any proceeding or action commenced alleging discrimination before August 1, (1987) 1989, under chapter 363.

Sec. 94. Minnesota Statutes 1984, section 471.9975, is amended to read:

471.9975 [SUITS BARRED.]

No cause of action arises before August 1, (1987) 1989 for failure to comply with the requirements of Laws 1984, chapter 651.

Sec. 95. [EMERGENCY ASSISTANCE FOR LOGGERS OF STATE TIMBER.]

Subdivision 1. [LEGISLATIVE FINDINGS.] The legislature finds as follows that the absence of markets for aspen, spruce, and tamarack timber, has caused severe distress and hardship to loggers.

Subd. 2. [LOGGERS WHO MAY APPLY.] A purchaser of a permit to cut timber on state trust lands issued before the effective date of this section who, on the effective date of this section, has not cut all or any portion of the aspen or spruce or tamarack timber from the lands covered by the permit may make written application to the commissioner of natural resources for cancellation of any or all obligations to cut and remove any aspen, spruce, or tamarack timber or any other timber species covered by the permit.

Subd. 3. [TERMS OF APPLICATION.] The application to the commissioner, which shall be in the form of an affidavit, must show:

(1) the quantity and timber species covered by the permit for which the permittee seeks release from permit obligations;

(2) the permittee has not cut the timber for which the permittee is requesting release from permit obligations; and

(3) the permittee has no profitable market for aspen, spruce, or tamarack.

Subd. 4. [CANCELLATION OF PERMITS.] If the application meets the requirements of subdivision 2, the commissioner shall grant the application under the following conditions:

(a) If there has been no cutting of any timber whatsoever, and the permittee agrees, as a condition of cancellation, to forfeit the 25 percent payment made at the time of sale in the case of a state timber permit acquired at an auction sale under Minnesota Statutes, section 90.121 or 90.151, or, in the case of an informal sale, to forfeit 25 percent of the cash payment made on a permit acquired at an informal sale under section 90.191, with the balance to be refunded as provided by law for refunds on informal permits, the commissioner shall grant the application and cancel the permit.

(b) If there has been cutting of some but not all of the timber covered by the permit, regardless of the type of permit, and the permittee agrees, as a condition of cancellation, to forfeit 25 percent of the appraised price of the uncut timber, the commissioner shall grant the application and cancel the permit.

Sec. 96. [INSTRUCTION TO REVISOR.]

Subdivision 1. [NATURAL RESOURCES DEPARTMENT.] The revisor of statutes is directed to change the words "director" and "division" when referring to a director and division of the department of natural resources to "commissioner" and "department" or "department of natural resources," respectively, unless such terms would result in duplication or confusion of statutory language, in which case the revisor shall eliminate the reference to "director" or "division," or make another appropriate change consistent with sections 48 to 56, and 59 to 62.

By requiring the revisor to make these changes it is not the purpose of the legislature to prevent the commissioner from delegating his authority to the deputy commissioner or other department employee consistent with section 15.06, subdivision 6.

Subd. 2. [WATER RESOURCES BOARD.] The revisor of statutes is directed to change the words "water resources board"

when they refer to duties and powers assigned to the water resources board to "state planning agency" in Minnesota Statutes, chapters 110 and 112, and sections 473.877 and 473.878.

Sec. 97. [REPEALER.]

Subdivision 1. Minnesota Statutes 1984, sections 84.081; 84.083; and 89.014, subdivision 2 are repealed.

Subd. 2. Minnesota Statutes 1984, sections 177.41, 177.42, 177.43, and 177.44 are repealed.

Subd. 3. Minnesota Statutes 1984, sections 3.351, subdivisions 1, 2, 4, and 5; 3.865; 105.40, subdivision 7; 105.71, subdivisions 1, 1a, and 3; 105.72; 105.73; 105.75; 105.76; 105.77; 105.78; 105.79; 112.36, subdivision 4; and 270.067, subdivisions 1, 2, 3, and 4; and Minnesota Statutes 1985 Supplement, sections 3.303, subdivision 5; 3.351, subdivision 3; 3.875; 105.74; and 110B.02, subdivision 2 are repealed.

Sec. 98. [EFFECTIVE DATE.]

Subdivision 1. All sections in this article are effective the day following final enactment unless a different time is stated in this section.

Subd. 2. Sections 48 to 56; 59 to 62; 96, subdivision 1; and 97, subdivision 1 are effective July 1, 1986.

Subd. 3. Section 97, subdivision 2, is effective the day following final enactment and applies to projects commenced and contracts entered into after that date.

ARTICLE 6

**ENERGY AND ECONOMIC DEVELOPMENT
DEPARTMENT; TRANSFERS**

Section 1. Minnesota Statutes 1984, section 15.01, is amended to read:

15.01 [DEPARTMENTS OF THE STATE.]

The following agencies are designated as the departments of the state government: the department of administration; the department of agriculture; the department of commerce; the department of corrections; the department of education; the department of economic security; (THE DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT;) the department of finance; the department of health; the department of human rights; the department of labor and industry; the department of

military affairs; the department of natural resources; the department of employee relations; the department of public safety; the department of public service; the department of human services; the department of revenue; the department of transportation; the department of veterans affairs; and their successor departments.

Sec. 2. Minnesota Statutes 1984, section 15.057, is amended to read:

15.057 [PUBLICITY REPRESENTATIVES.]

No state department, bureau or division, whether the same operates on funds appropriated or receipts or fees of any nature whatsoever, except the department of transportation, the (DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT) *office of tourism*, the game and fish division, the department of economic security, and the state agricultural society shall use any of such funds for the payment of the salary or expenses of a publicity representative. The head of any such department, bureau, or division shall be personally liable for funds used contrary to this provision. This act shall not be construed, however, as preventing any such department, bureau, or division from sending out any bulletins or other publicity required by any state law or necessary for the satisfactory conduct of the business for which such department, bureau, or division was created.

Sec. 3. [16A.81] [SUCCESSOR.]

The commissioner of finance is the legal successor in all respects of the small business finance agency and the Minnesota energy and economic development authority as originally named and constituted, and all bonds, resolutions, contracts, and liabilities of those agencies are the bonds, resolutions, contracts, and liabilities of the commissioner of finance. The commissioner is bound by and shall administer all contracts entered into by the authority or the commissioner of energy and economic development unless authority for contract administration has transferred to another agency. The commissioner shall fulfill the terms of all pledges made by the authority to its bondholders, trustees, or other persons. The commissioner shall administer all loans made by the authority. The commissioner shall not issue any new bonds or make any new loans under chapter 116M unless this action is required by a contract entered into before the effective date of this section.

The commissioner may establish procedures to be followed by financial institutions and to be taken by the commissioner in the event of default on loans issued by the Minnesota energy and economic development authority, including time for filing claims, rights and interests to be assigned and documents to be furnished by the financial institution, principal and interest to be included in the claim, and conditions, if any, upon which

the commissioner will pay the principal amount in default after foreclosure and receipt of marketable title to property.

Sec. 4. Minnesota Statutes 1984, section 16B.20, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The (COMMISSIONERS) *commissioner* of administration (AND ENERGY AND ECONOMIC DEVELOPMENT) shall publicize the provisions of the set-aside program, attempt to locate small businesses able to perform set-aside procurement awards, and encourage participation. When the commissioner of administration determines that a small business is unable to perform under a set-aside contract, the commissioner shall (INFORM THE COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT WHO SHALL) assist the small business in attempting to remedy the causes of the inability to perform a set-aside award. (IN ASSISTING THE SMALL BUSINESS, THE COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT IN COOPERATION WITH THE COMMISSIONER OF ADMINISTRATION SHALL USE MANAGEMENT OR FINANCIAL ASSISTANCE PROGRAMS MADE AVAILABLE BY OR THROUGH THE DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT, OTHER STATE OR GOVERNMENTAL AGENCIES, OR PRIVATE SOURCES.)

Sec. 5. Minnesota Statutes 1984, section 41A.02, subdivision 15, is amended to read:

Subd. 15. [STATE.] "State" actions contemplated in sections 41A.01 to 41A.06 may be taken on behalf of the state by (RESOLUTIONS OF THE AGRICULTURAL RESOURCE LOAN GUARANTY BOARD) *the commissioner of finance*, subject to approval by the governor if required by the governor (, OR BY A MEMBER OF THE BOARD OR ANOTHER STATE OFFICER IN THE DEPARTMENT HEADED BY THE MEMBER, PURSUANT TO AUTHORITY DELEGATED BY RESOLUTION OF THE BOARD. RESOLUTIONS OF THE BOARD ARE EFFECTIVE WHEN APPROVED BY THE VOTE OF A MAJORITY OF ITS MEMBERS).

Sec. 6. Minnesota Statutes 1985 Supplement, section 41A.04, subdivision 4, is amended to read:

Subd. 4. [RULEMAKING AUTHORITY.] In order to effectuate the purposes of sections 41A.01 to 41A.07, the (BOARD) *commissioner of finance* shall adopt rules which are subject to the provisions of chapter 14. The (BOARD) *commissioner* may adopt emergency rules and permanent rules.

Sec. 7. Minnesota Statutes 1985 Supplement, section 41A.05, subdivision 1, is amended to read:

Subdivision 1. [(ESTABLISHMENT OF) FUND.] (FOR THE PURPOSE OF DEVELOPING THE STATE'S AGRICULTURAL RESOURCES BY EXTENDING CREDIT ON REAL ESTATE SECURITY.) The agricultural resource loan guaranty fund is established as a special and dedicated fund to be held and invested separately from all other funds of the state. All money appropriated to the fund, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the fund pursuant to law or pursuant to the terms of grants, contributions, or contracts are appropriated and shall remain available for the purposes of the fund until those purposes have been fully accomplished. The (BOARD) *commissioner of finance* may establish within the guaranty fund reserve funds, project accounts, or other restrictions (IT) *the commissioner* determines necessary or appropriate to carry out the purposes of this chapter. Except as otherwise provided in this section, the fund may be used only for paying amounts due under loan guaranties and principal and interest assistance contracts entered into by the state, pursuant to the agricultural resource loan guaranty program.

Sec. 8. Minnesota Statutes 1985 Supplement, section 41A.05, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] (a) (SUBJECT TO SECTION 16A.80, UPON APPLICATION PURSUANT TO SECTION 41A.04, THE BOARD BY RESOLUTION MAY EXERCISE THE POWERS OF A RURAL DEVELOPMENT AUTHORITY UNDER SECTIONS 362A.01 TO 362A.05 AND THE POWERS OF A MUNICIPALITY UNDER CHAPTER 474 FOR THE PURPOSES OF PROVIDING MONEY TO PAY THE COSTS OF A PROJECT, INCLUDING THE ISSUANCE OF BONDS AND THE LOAN OF THE BOND PROCEEDS PURSUANT TO A LEASE OR OTHER AGREEMENT. THE BONDS MUST BE ISSUED, SOLD, AND SECURED ON THE TERMS AND CONDITIONS AND IN THE MANNER DETERMINED BY RESOLUTION OF THE BOARD. SECTIONS 16A.80 AND 474.23 DO NOT APPLY TO THE BONDS.) Notwithstanding subdivision 1, a reserve established for the bonds provided by the borrower, including out of bond proceeds, may be deposited and held in a separate account in the guaranty fund and applied to the last installments of principal or interest on the bonds, subject to the reserves being withdrawn for any purpose permitted by subdivision 1. The (BOARD) *commissioner of finance* may by (RESOLUTION OR) indenture pledge any or all amounts in the guaranty fund, including any reserves and investment income on amounts in the fund, to secure the payment of principal and interest on any or all series of bonds, upon the terms and conditions as provided in the resolution or indenture. To the extent the (BOARD) *commissioner* deems necessary or desirable to prevent interest on bonds from becoming subject to federal income taxation, (1) the amounts in the guaranty fund shall be invested in obligations or securities with restricted yields and (2) the investment income on the amounts are released from

the pledge securing the bonds or loan guaranty and appropriately applied to prevent taxation.

(b) Bonds issued pursuant to this chapter are not general obligations of the state or the board. The full faith and credit and taxing powers of the state (AND THE BOARD) are not and may not be pledged for the payment of the bonds. No person may compel the levy of a tax for the payment or compel the appropriation of money of the state or the board for the payment of the bonds, except as specifically provided in this chapter.

((C) THE ISSUANCE OF BONDS PURSUANT TO THIS SUBDIVISION IS SUBJECT TO SECTIONS 474.18 TO 474.25. FOR PURPOSES OF SECTIONS 474.16 TO 474.20, THE BOARD IS A LOCAL ISSUER AND MAY APPLY FOR ALLOCATIONS OF AUTHORITY TO ISSUE PRIVATE ACTIVITY OBLIGATIONS AND MAY ENTER INTO AN AGREEMENT FOR THE ISSUANCE OF OBLIGATIONS BY ANOTHER ISSUER.)

Sec. 9. Minnesota Statutes 1985 Supplement, section 41A.05, subdivision 3, is amended to read:

Subd. 3. [COVENANT.] In fulfillment of the state's covenant with the beneficiary of each loan guaranty executed (BY THE BOARD) on behalf of the state pursuant to the agricultural resource loan guaranty program, (IN ACCORDANCE WITH SECTION 41A.04, SUBDIVISION 3,) the state will not limit or alter the rights vested in the (BOARD) state to comply with the terms of the loan guaranties.

Sec. 10. Minnesota Statutes 1984, section 41A.05, subdivision 4, is amended to read:

Subd. 4. [INCOME TAX EXEMPTION.] In the issuance of state bonds and the making of loan guaranties for the purposes of the program, the commissioner of finance (AND THE BOARD) may and shall make all provisions and do or cause to be done all acts and things, consistent with sections 41A.01 to 41A.06, which are or may be effective under federal laws and regulations to comply with conditions for the exemption of interest on such bonds from federal income taxation. However, if for any reason, whether existing at the date of issue of any bonds or the date of execution of any loan guaranty or thereafter, the interest on any such bonds shall be or become subject to federal income taxes, this shall not impair or affect the validity of the bonds or of any loan guaranty or the provisions made for the security thereof, and shall not impair or affect the covenant made by the state in subdivision 3. Nothing herein affects the federal or state income tax treatment of interest on obligations of a borrower other than the state, whether or not guaranteed by the state.

Sec. 11. Minnesota Statutes 1985 Supplement, section 41A.05, subdivision 5, is amended to read:

Subd. 5. [GUARANTY FUND; REDUCTION.] Amounts in the guaranty fund (MAY) *shall* be transferred to the general fund if the remaining amount in the fund exceeds the principal amount and one year's interest on the outstanding bonds and the guaranteed portion of outstanding guaranteed loans.

Sec. 12. Minnesota Statutes 1984, section 41A.06, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION TO PROJECT ACCOUNTS.] Receipts of charges related to a particular project shall be deposited and recorded in its project account in the guaranty fund; but the (BOARD) *commissioner of finance* may reallocate receipts in any project account which cause the amount held in the account to exceed the *required* minimum (BALANCE ESTABLISHED INITIALLY PURSUANT TO SECTION 41A.04, SUBDIVISION 3, CLAUSE (2)). The reallocation may be made to another project account for the purpose of maintaining the minimum balance in the account.

Sec. 13. Minnesota Statutes 1985 Supplement, section 41A.06, subdivision 5, is amended to read:

Subd. 5. [PROPERTY TAX INCREMENTS.] If tax increment financing is to be used for the project, the applicant for a loan guaranty or bonds for any project, and the county in which the project is situated, shall do all acts and things necessary for the computation and segregation of property tax increments resulting from the construction of the project in accordance with the provisions of section 362A.05, and for the remittance to the commissioner of finance, for deposit in the loan guaranty fund, of all tax increments received from and after the date of the conditional commitment for the loan guaranty. If the project account contains an amount equal to the average annual payment of principal and interest on the bonds or for the guaranteed portion of a guaranteed loan, the (BOARD) *commissioner of finance* must annually return the excess tax increment to be distributed as provided by section 273.75, subdivision 2, clause (d), until the increment has been discharged under the agreement or section 362A.05.

Sec. 14. [84.95] [GRANTS.]

The commissioner of natural resources shall 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.

Sec. 15. Minnesota Statutes 1985 Supplement, section 92.35, is amended to read:

92.35 [DUTIES AND POWERS.]

The (COMMISSIONER) *director* of (ENERGY AND ECONOMIC DEVELOPMENT) *the state planning agency* 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. 16. Minnesota Statutes 1985 Supplement, 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) *director* of (ENERGY AND ECONOMIC DEVELOPMENT) *the state planning agency* 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 non-agricultural may be sold or leased by the state for agricultural purposes.

Sec. 17. Minnesota Statutes 1984, section 104.35, subdivision 2, is amended to read:

Subd. 2. The commissioner shall make the proposed management plan available to affected local governmental bodies, shoreland owners, conservation and outdoor recreation groups, (THE COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT,) the governor, and the general public. The (COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT AND THE) governor shall review the proposed management plan (PURSUANT TO THE CRITERIA SPECIFIED IN SECTION 86A.09, SUBDIVISION 3,) and submit any written comments to the commissioner within 60 days after receipt of

the proposed management plan. Not less than 60 days after making such information available, the commissioner shall conduct a public hearing on the proposed management plan in the county seat of each county which contains a portion of the designated area, in the manner provided in chapter 14.

Sec. 18. Minnesota Statutes 1984, section 104.35, subdivision 3, is amended to read:

Subd. 3. (UPON RECEIPT OF THE ADMINISTRATIVE LAW JUDGE'S REPORT, THE COMMISSIONER SHALL IMMEDIATELY FORWARD THE PROPOSED MANAGEMENT PLAN AND THE ADMINISTRATIVE LAW JUDGE'S REPORT TO THE COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT FOR REVIEW PURSUANT TO SECTION 86A.09, SUBDIVISION 3, EXCEPT THAT THE REVIEW BY THE COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT SHALL BE COMPLETED OR BE DEEMED COMPLETED WITHIN 30 DAYS AFTER RECEIVING THE ADMINISTRATIVE LAW JUDGE'S REPORT AND THE REVIEW BY THE GOVERNOR SHALL BE COMPLETED OR BE DEEMED COMPLETED WITHIN 15 DAYS AFTER RECEIPT.) Within 60 days after receipt of the administrative law judge's report, the commissioner shall decide whether to designate by order the river or segment thereof as a wild, scenic, or recreational river and, if so designated, shall adopt a management plan to govern the area. The commissioner shall notify and inform public agencies and private landowners of the plan and its purposes so as to encourage their cooperation in the management and use of their land in a manner consistent with the plan and its purposes.

Sec. 19. Minnesota Statutes 1984, section 116C.24, subdivision 2a, is amended to read:

Subd. 2a. "Commissioner" means the commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *administration*.

Sec. 20. Minnesota Statutes 1984, section 116C.25, is amended to read:

116C.25 [ENVIRONMENTAL PERMITS COORDINATION UNIT.]

The commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *administration* shall direct the bureau of business licenses to act as the coordination unit to implement and administer the provisions of sections 116C.22 to 116C.34. (THE COMMISSIONER SHALL EMPLOY NECESSARY STAFF TO WORK FOR THE COORDINATION UNIT ON A CONTINUOUS BASIS.)

Sec. 21. Minnesota Statutes 1984, section 116J.01, subdivision 3, is amended to read:

Subd. 3. [(DEPARTMENTAL ORGANIZATION) *TOURISM.*] (THE COMMISSIONER SHALL ORGANIZE THE DEPARTMENT AS PROVIDED IN SECTION 15.06. THE DEPARTMENT SHALL BE ORGANIZED INTO FOUR DIVISIONS, WHICH SHALL BE DESIGNATED THE ENERGY DIVISION, THE COMMUNITY DEVELOPMENT DIVISION, THE ECONOMIC DEVELOPMENT DIVISION, AND THE FINANCIAL MANAGEMENT DIVISION; AND THE OFFICE OF TOURISM. EACH DIVISION AND OFFICE IS RESPONSIBLE FOR ADMINISTERING THE DUTIES AND FUNCTIONS ASSIGNED TO IT BY LAW. WHEN THE DUTIES OF THE DIVISIONS OR OFFICE ARE NOT ALLOCATED BY LAW, THE COMMISSIONER MAY ESTABLISH AND REVISE THE ASSIGNMENTS OF EACH DIVISION AND OFFICE. EACH DIVISION SHALL BE UNDER THE DIRECTION OF A DEPUTY COMMISSIONER IN THE UNCLASSIFIED SERVICE.) The office of tourism is under the direction of a director of tourism in the unclassified service. The governor shall appoint the director of tourism.

Sec. 22. Minnesota Statutes 1984, section 116J.16, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of this section is to grant to the (COMMISSIONER) *director of public service* authority to exercise specific power to deal with shortages of refined petroleum products. Authority granted shall be exercised for the purpose of minimizing the adverse impacts of shortages and dislocations upon the citizens and the economy of the state and nation.

Sec. 23. Minnesota Statutes 1984, section 116J.16, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT.] The (COMMISSIONER) *director of public service* shall establish and is responsible for a state set-aside system for motor gasoline and middle distillates to provide emergency petroleum requirements and thereby relieve the hardship caused by shortage, supply dislocations, or other emergencies. The (COMMISSIONER) *director*, for purposes of administration, may exercise all of the powers granted by this chapter.

Sec. 24. Minnesota Statutes 1984, section 116J.16, subdivision 4, is amended to read:

Subd. 4. [SET-ASIDE REQUIRED.] Every prime supplier shall allocate for sale or exchange monthly upon order of the

(COMMISSIONER) *director of public service* a volume of motor gasoline and middle distillate not exceeding the monthly set-aside amount. The amount of gasoline subject to monthly set-aside shall be an amount equal to three percent of the prime supplier's monthly supply estimate. The amount of middle distillate subject to monthly set-aside shall be an amount equal to four percent of the prime supplier's monthly supply estimate.

Sec. 25. Minnesota Statutes 1984, section 116J.16, subdivision 5, is amended to read:

Subd. 5. [REPORT OF ESTIMATED VOLUME.] Every prime supplier shall file with the (COMMISSIONER) *director of public service* a monthly report of its estimated volume of gasoline and middle distillate deliveries. The report shall be in a form prescribed by the (COMMISSIONER) *director* and shall be submitted by the 25th day of the month preceding the month covered by the report. Each prime supplier shall allocate monthly for sale or exchange upon order of the (COMMISSIONER) *director* three percent of estimated motor gasoline supplies and four percent of estimated middle distillate supplies as shown by the report.

Sec. 26. Minnesota Statutes 1984, section 116J.16, subdivision 6, is amended to read:

Subd. 6. [PRIME SUPPLIER OBLIGATIONS.] Each prime supplier shall designate a representative to act for and on behalf of the prime supplier in respect to department of (ENERGY AND ECONOMIC DEVELOPMENT STATE) *public service* set-aside orders to be issued to the prime supplier. A prime supplier shall provide the amount of allocated product stated in the energy state set-aside order.

Sec. 27. Minnesota Statutes 1984, section 116J.16, subdivision 7, is amended to read:

Subd. 7. [RULES.] The (COMMISSIONER) *director of public service* shall adopt rules, including emergency rules pursuant to sections 14.29 to 14.36, to govern the administration of the set-aside system. Rules shall cover matters such as the form and procedure for applications for set-aside allocations by dealers of bulk purchasers, reports on available gasoline and middle distillate supplies, orders and procedure for set-aside allocation and distribution and other rules deemed necessary or desirable in the implementation and administration of the set-aside system, including monthly reports of anticipated deliveries and actual sales of gasoline, middle distillates, propane, aviation fuels, and residual oils.

Sec. 28. Minnesota Statutes 1984, section 116J.16, subdivision 8, is amended to read:

Subd. 8. [CRITERIA.] The (COMMISSIONER) *director of public service* may allocate gasoline and middle distillates from the set-aside system in accordance with the criteria in section 116J.15 and rules adopted pursuant thereto. The (COMMISSIONER) *director* may prescribe additional priorities by rule.

Sec. 29. Minnesota Statutes 1984, section 116J.29, is amended to read:

116J.29 [SUBPOENA POWER.]

The (COMMISSIONER) *director of public service* shall have the power, for the purposes of (SECTIONS 116J.05 TO 116J.30) *section 116J.16*, to issue subpoenas for production of books, records, correspondence and other information and to require attendance of witnesses. The subpoenas may be served anywhere in the state by any person authorized to serve processes of courts of record. If a person does not comply with a subpoena, the (COMMISSIONER) *director* may apply to the district court of Ramsey county and the court shall compel obedience to the subpoena by a proper order. A person failing to obey the order is punishable by the court as for contempt.

Sec. 30. Minnesota Statutes 1984, section 116J.36, subdivision 10, is amended to read:

Subd. 10. [RECEIPTS.] All principal and interest payments received by the commissioner of finance in repayment of the *district heating and qualified energy improvement* loans (AUTHORIZED BY THIS SECTION) shall be deposited in the state treasury and credited to the state bond fund (AND ARE APPROPRIATED TO THE COMMISSIONER OF FINANCE FOR THE PURPOSES OF THAT ACCOUNT).

Sec. 31. Minnesota Statutes 1984, section 116J.37, subdivision 6, is amended to read:

Subd. 6. [RECEIPTS; APPROPRIATION.] The commissioner of finance shall deposit in the state treasury all principal and interest payments received in repayment of (THE) *energy conservation investment* loans (AUTHORIZED BY THIS SECTION) *made to school districts*. These payments shall be credited to the state building fund (AND ARE APPROPRIATED TO THE COMMISSIONER OF FINANCE FOR THE PURPOSES OF THAT ACCOUNT).

Sec. 32. Minnesota Statutes 1984, section 116J.401, is amended to read:

116J.401 [POWERS AND DUTIES.]

The (COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT) *director of the state planning agency* 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)) (5) 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. 33. [116J.4011] [ADMINISTRATION OF SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT.]

Subdivision 1. [RURAL DEVELOPMENT FUND CREATED; APPROPRIATION.] The rural development fund is created as a special revenue account in the state treasury. The fund shall consist of one-half of the federal money received annually under the provisions of the Housing and Community Development Act of 1974, as amended, and all of the repayment funds received annually from statutory and home rule charter cities, counties, and towns receiving economic development assistance from the fund. The fund shall be expended only for economic development activities authorized under the Housing and Community Development Act of 1974, as amended, and the

contents of the fund are continually appropriated to the director for those purposes. Cities, counties, and towns receiving economic development assistance money from the fund shall repay to the fund any assistance received according to the rules adopted by the director of the state planning agency.

Subd. 2. [EMERGENCY RULEMAKING AUTHORITY.] The director may adopt emergency rules under chapter 14 to implement this section.

Sec. 34. Minnesota Statutes 1984, section 116J.402, is amended to read:

116J.402 [COOPERATIVE CONTRACTS.]

The (COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT) *director of the state planning agency* may apply for, receive, and spend money for community development from municipal, county, regional, and other planning agencies. The (COMMISSIONER) *director* 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) *director* 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 his 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) *director* 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) *director* relating to community development.

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

Sec. 35. Minnesota Statutes 1984, section 116J.403, is amended to read:

116J.403 [RULES.]

Except as provided in section 33, subdivision 1, no money made available to the (COMMISSIONER) director of the state planning agency for the small cities community development block grant program shall be spent by him for community development

and related planning programs until he adopts rules prescribing standards and procedures to govern the expenditure. The rules must be adopted under the Administrative Procedure Act in chapter 14 and must conform with all terms and conditions imposed on the (COMMISSIONER) *director* when the money is made available to him. The (COMMISSIONER) *director* may adopt emergency rules under sections 14.29 to 14.36 so that he can carry out promptly his responsibilities for administering federally funded community development grant programs.

Sec. 36. Minnesota Statutes 1984, section 116J.404, is amended to read:

116J.404 [JUVENILE JUSTICE.]

The governor shall designate the department of (ENERGY AND ECONOMIC DEVELOPMENT) *corrections* as the sole agency responsible for supervising the preparation and administration of the state plan for juvenile justice required by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended. *The commissioner shall receive and administer grants, including grants for the jail resource center, under this act.*

The governor shall designate the Juvenile Justice Advisory Committee as the supervisory board for the department of (ENERGY AND ECONOMIC DEVELOPMENT) *corrections* with respect to preparation and administration of the state plan and award of grants.

The governor shall appoint members to the Juvenile Justice Advisory Committee in accordance with membership requirements of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Sec. 37. Minnesota Statutes 1984, section 116J.405, is amended to read:

116J.405 [GRANTS-IN-AID TO YOUTH INTERVENTION PROGRAMS.]

Subdivision 1. The commissioner of *corrections* may make grants to nonprofit agencies administering youth intervention programs in communities where the programs are or may be established.

“Youth intervention program” means a nonresidential community based program providing advocacy, education, counseling, and referral services to youth and their families experiencing personal, familial, school, legal, or chemical problems with the goal of resolving the present problems and preventing the occurrence of the problems in the future.

Subd. 2. Applications for a grant-in-aid shall be made by the administering agency to the commissioner. The grant-in-aid is contingent upon the agency having obtained from the community in which the youth intervention program is established local matching money two times the amount of the grant that is sought.

The commissioner shall provide by rule the application form, procedures for making application form, criteria for review of the application, and kinds of contributions in addition to cash that qualify as local matching money. No grant to any agency shall exceed \$25,000.

Sec. 38. Minnesota Statutes 1984, section 116J.58, subdivision 2, is amended to read:

Subd. 2. [PROMOTIONAL CONTRACTS.] In order to best carry out his duties and responsibilities and to serve the people of the state in the promotion of tourism (AND ECONOMIC DEVELOPMENT), the (COMMISSIONER) *director of the office of tourism* may engage in programs and projects jointly with a private person, firm, corporation or association and may enter into contracts under terms to be mutually agreed upon to carry out such programs and projects not including acquisition of land or buildings. Such contracts may be negotiated and shall not be subject to the provisions of chapter 16, insofar as such provisions relate to competitive bidding.

Sec. 39. Minnesota Statutes 1984, section 116J.58, subdivision 3, is amended to read:

Subd. 3. [(COMMISSIONER MAY ENTER INTO) PROJECT AGREEMENTS.] The (COMMISSIONER) *director of the office of tourism* may enter into project agreements with organizations or corporations for the purpose of developing the tourism potential of the state. If in the judgment of the (COMMISSIONER) *director* a project will make a meaningful contribution to the tourism development of the state, he may enter into local or regional agreements.

Sec. 40. Minnesota Statutes 1985 Supplement, section 116J.58, subdivision 4, is amended to read:

Subd. 4. [FEDERAL LIMITATION ACT ALLOCATION.] The commissioner of *finance* shall:

(1) in accordance with sections 474.16 to 474.23, review applications for and grant allocations of authority to issue bonds or other obligations subject to a federal limitation act; and

(2) adopt rules, including emergency rules under sections 14.29 to 14.36, to provide for the allocation of the amount of

issuance authority allocated pursuant to section 474.17, subdivision 3. The rules shall contain criteria and procedures for allocation of authority for use by the department, and to other state agencies, political subdivisions, or other authorities authorized by other law to issue bonds subject to a federal limitation act.

For the purposes of this subdivision, a "federal limitation act" is an act of Congress defined in section 474.16, subdivision 5.

Sec. 41. Minnesota Statutes 1984, section 116J.60, is amended to read:

116J.60 [PROMOTIONAL EXPENSES.]

In the promotion of tourism (AND ECONOMIC DEVELOPMENT OF THE STATE), the (COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT) *director of the office of tourism* may expend money appropriated by the legislature for these purposes in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. An expenditure for food, lodging, or travel is not governed by the travel rules of the commissioner of employee relations. No money shall be expended for the appearance in radio or television broadcasts by an elected public official.

Sec. 42. Minnesota Statutes 1984, section 116J.63, is amended to read:

116J.63 [SALE OF PAMPHLETS AND PUBLICATIONS; FEES; ADVERTISING.]

Subdivision 1. The (COMMISSIONER) *director of tourism* may sell reports, publications, or related publicity or promotional material of the (DEPARTMENT) *office* that in his judgment should not be supplied gratis to those who wish to employ them in the conduct of their business.

Subd. 2. The (COMMISSIONER) *director* shall recommend a schedule of fees pursuant to section 16A.128 to be charged for these materials and for services rendered by the (DEPARTMENT) *office* in furnishing them. The fees prescribed by the (COMMISSIONER) *director* shall be commensurate with the distribution objective of the (DEPARTMENT) *office* for the material produced or with the cost of furnishing the services. All fees for materials and services shall be deposited in the general fund.

Subd. 3. (DEPARTMENT) *Office* publications may contain advertising and may receive advertising revenue from profit and nonprofit organizations, associations, individuals and corporations, and other state, federal or local government agencies. Advertising revenues shall be deposited in the general fund. The

(COMMISSIONER) *director* shall set advertising rates and fees commensurate with services rendered and distribution objectives.

Sec. 43. Minnesota Statutes 1984, section 116J.66, is amended to read:

116J.66 [BUSINESS ASSISTANCE.]

The commissioner of *administration* shall establish within the department a business assistance center. The center shall consist of (1) a bureau of small business which shall have as its sole function the provision of assistance to small businesses in the state and (2) a bureau of licenses to assist all businesses in obtaining state licenses and permits. This center shall be accorded at least equal status with the other major operating units within the department.

Sec. 44. Minnesota Statutes 1984, 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;

(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 16.083 to 16.086 relating to the small business set aside program of the state;

(g) develop an information system which will enable the commissioner of *administration* 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;

(i) conduct research and provide data as required by 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 the provisions of Laws 1983, chapter 188, requiring consideration of small business issues in state agency rulemaking.

Sec. 45. Minnesota Statutes 1984, section 116J.74, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of (THE DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT) *administration*.

Sec. 46. Minnesota Statutes 1984, section 116J.80, subdivision 6, is amended to read:

Subd. 6. [FAILURE TO PROVIDE ACCURATE OR PERTINENT INFORMATION.] The provisions of subdivision 5 shall not apply if the commissioner (OF ENERGY AND ECONOMIC DEVELOPMENT) determines that the master application contained false, misleading, or deceptive information, or

failed to include pertinent information, the lack of which could reasonably lead an agency to misjudge the applicability of licenses under its jurisdiction, or if new license requirements or related standards subsequently became effective for which an agency had no discretion in establishing the effective date.

Sec. 47. Minnesota Statutes 1984, 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, 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 is (APPROPRIATED TO THE COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT FOR THE PURPOSE OF MAKING ADDITIONAL ECONOMIC RECOVERY GRANTS) *to be deposited in the general fund.*

Sec. 48. Minnesota Statutes 1985 Supplement, section 116J.951, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *agriculture.*

Sec. 49. Minnesota Statutes 1985 Supplement, section 116J.961, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The governor's rural development council is established in the department of (ENERGY AND ECONOMIC DEVELOPMENT) *agriculture.* The council shall consist of one representative from each of the state's development regions, including the seven-county metropolitan area, and the commissioner.

Sec. 50. [116K.14] [CONTRACTS.]

The director of the state planning agency may make all contracts and do all things necessary to cooperate with the United States government, and to qualify for, accept, and disburse any grant intended for the administration of energy programs. Except to the extent that authority is specifically granted to the commissioner of jobs and training, the director is designated the

state agent to apply for, receive, and accept federal or other funds available to the state for purposes of energy programs.

Sec. 51. Minnesota Statutes 1984, section 116M.03, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] "Authority" means the Minnesota energy and economic development authority (CREATED IN SECTION 116M.06).

Sec. 52. Minnesota Statutes 1984, section 116M.03, is amended by adding a subdivision to read:

Subd. 2a. "Commissioner" means the commissioner of finance.

Sec. 53. Minnesota Statutes 1985 Supplement, section 116M.-03, subdivision 17, is amended to read:

Subd. 17. [FUNDS.] "Funds" means the group of funds controlled by the (AUTHORITY) *commissioner*, including the economic development fund created by section 116M.06, subdivision 4, the energy loan insurance account created by section 116M.11, the energy development account created by section 116M.12, and other accounts created to reflect the money deposited in the state treasury and under the control of the (AUTHORITY) *commissioner*.

Sec. 54. Minnesota Statutes 1985 Supplement, section 116M.-04, subdivision 8a, is amended to read:

Subd. 8a. The (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *commissioner of finance* shall 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 shall 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 (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *commissioner* shall be deposited into the (ECONOMIC DEVELOPMENT FUND TO BE USED FOR THE PURPOSES AS SET OUT IN THIS CHAPTER) *general fund*.

Sec. 55. Minnesota Statutes 1984, section 116M.05, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE; OBJECTIVES.] The (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *commissioner* may create, promote, and assist a state development company, also known as a "503" certified development company, that will qualify as a certified development company for the purposes of United States Code, title 15, section 697, and Code of Federal Regulations, title 13, section 108.503.

(THE AUTHORITY SHALL UTILIZE THE DEVELOPMENT COMPANY PROGRAM TO STIMULATE THE STATE'S ECONOMIC ACTIVITY.)

The development company and its directors and officers shall comply with the organizational, operational, regulatory, and reporting requirements as promulgated by the United States small business administration and the guidelines contained in the bylaws, articles of incorporation, and standard operating procedure prescribed by the small business administration.

Sec. 56. Minnesota Statutes 1985 Supplement, section 116M.06, subdivision 2, is amended to read:

Subd. 2. [USE OF FUNDS.] (THE AUTHORITY MAY USE THE ENERGY LOAN INSURANCE ACCOUNT AS PROVIDED IN SECTION 116M.11. THE AUTHORITY MAY USE THE ECONOMIC DEVELOPMENT FUND IN CONNECTION WITH SMALL BUSINESS LOANS, POLLUTION CONTROL LOANS, AND FARM LOANS TO PROVIDE FINANCIAL ASSISTANCE TO ELIGIBLE SMALL BUSINESSES; IT MAY USE THE ECONOMIC DEVELOPMENT FUND IN CONNECTION WITH BUSINESS LOANS WHEN THE LOANS ARE MADE AS A PART OF THE SPECIAL ASSISTANCE PROGRAM UNDER SECTION 116M.07, SUBDIVISION 11; AND THE AUTHORITY MAY USE THE ENERGY DEVELOPMENT ACCOUNT IN CONNECTION WITH ENERGY LOANS TO PROVIDE FINANCIAL ASSISTANCE TO BUSINESSES; AS FOLLOWS:)

((A) TO PROVIDE LOAN GUARANTEES OR INSURANCE, IN WHOLE OR IN PART, TO BUSINESSES IN CONNECTION WITH BUSINESS LOANS, SMALL BUSINESS LOANS, ENERGY LOANS, FARM LOANS, OR POLLUTION CONTROL LOANS;)

((B) TO PROVIDE DIRECT LOANS TO BUSINESSES IN CONNECTION WITH BUSINESS LOANS, SMALL BUSINESS LOANS, ENERGY LOANS, FARM LOANS, OR POLLUTION CONTROL LOANS;)

((C) TO PARTICIPATE IN OTHER INVESTMENT PROGRAMS AS APPROPRIATE UNDER THE TERMS OF THIS CHAPTER AND CHAPTERS 472 AND 474;)

((D) TO PURCHASE LOAN PACKAGES MADE TO BUSINESSES BY FINANCIAL INSTITUTIONS IN THE STATE IN CONNECTION WITH BUSINESS LOANS, SMALL BUSINESS LOANS, ENERGY LOANS, FARM LOANS, OR POLLUTION CONTROL LOANS;)

((E) TO ENTER INTO OR TO PAY FEES ON INSURANCE CONTRACTS, LETTERS OF CREDIT, MUNICIPAL BOND INSURANCE, SURETY BONDS, OR SIMILAR OBLIGATIONS AND OTHER AGREEMENTS OR CONTRACTS WITH FINANCIAL INSTITUTIONS OR PROVIDERS OF SIMILAR SERVICES;)

((F) TO GUARANTEE OR INSURE BONDS AND NOTES ISSUED BY THE AUTHORITY, IN WHOLE OR IN PART;)

((G) TO MAKE INTEREST SUBSIDY PAYMENTS ON BEHALF OF ELIGIBLE SMALL BUSINESSES TO BE APPLIED TO THE PAYMENT OF INTEREST ON BONDS OR NOTES OF THE AUTHORITY EQUAL TO THE DIFFERENCE IN INTEREST PAYABLE ON LOANS AND THE INTEREST PAYABLE ON BONDS OR NOTES OF THE AUTHORITY WHERE THE PROCEEDS OF THESE BONDS OR NOTES ARE USED TO MAKE OR PARTICIPATE IN MAKING THESE LOANS;)

((H) FOR ANY LEGAL PURPOSE OR PROGRAM OF THE AUTHORITY, INCLUDING WITHOUT LIMITATION THE PAYMENT OF THE COST OF ISSUING AUTHORITY BONDS AND NOTES AND AUTHORITY ADMINISTRATIVE COSTS AND EXPENSES, BUT NOT FOR PERSONNEL COSTS OF POSITIONS IN THE APPROVED COMPLEMENT OF THE DEPARTMENT OR THE AUTHORITY.)

((I) TO PAY TAX REIMBURSEMENTS FOR QUALIFIED ECONOMIC DIVERSIFICATION PROJECTS UNDER THE SPECIAL ASSISTANCE PROGRAM PURSUANT TO SECTION 116M.07, SUBDIVISION 11, PARAGRAPH (D).)

(IN ADDITION, THE AUTHORITY MAY USE THE ECONOMIC DEVELOPMENT FUND TO PURCHASE, LEASE, OR LICENSE TECHNOLOGY RELATED PRODUCTS FOR EDUCATION OR TRAINING OR TO PARTICIPATE IN PROGRAMS WHERE TECHNOLOGY RELATED PRODUCTS ARE PURCHASED, LEASED, OR LICENSED.)

The (AUTHORITY) *commissioner of finance* may (CREATE) *maintain* separate accounts within any of the funds (FOR USE IN ACCORDANCE WITH THE SEPARATE PURPOSES LISTED IN THIS SECTION) *created by the authority* and may irrevocably pledge and allocate money on deposit in any of the funds to the accounts for the purposes. The (AUTHORITY MAY MAKE) *commissioner shall administer the authority's*

contracts with note and bond holders, trustees for them, financial institutions, or other persons interested in the disposition of money in the funds or their accounts with respect to the conditions upon which money in any fund or its accounts is to be held, invested, applied, and disposed of and the use of the fund and its accounts and the termination of accounts. (THE AUTHORITY MAY DETERMINE TO LEVERAGE AMOUNTS IN ACCOUNTS TO BE USED TO GUARANTEE OR INSURE BONDS AND NOTES OF THE AUTHORITY OR LOANS TO BUSINESSES AND MAY COVENANT AS TO THE RATE OF LEVERAGING WITH HOLDERS OF THE AUTHORITY'S BONDS AND NOTES OR ANY TRUSTEE FOR THEM, FINANCIAL INSTITUTIONS, OR OTHER PERSONS.) Money in the funds and their accounts shall, consistent with contracts with holders of the (AUTHORITY'S) *commissioner's* bonds and notes or any trustee for them, financial institutions, or other interested persons, be invested in accordance with section 116M.-08, subdivision 15, and the investment income from them, absent contractual provisions to the contrary, shall be added to and retained in the funds or their accounts if provided by the (AUTHORITY) *commissioner*. The repayments to the (AUTHORITY) *commissioner* of any direct loans made by the authority from money in the funds or their accounts shall be (PAID BY THE AUTHORITY) *deposited by the commissioner* into the (PARTICULAR FUND THAT WAS USED IN CONJUNCTION WITH THE LOAN BEING REPAYED, OR, AS PROVIDED BY THE AUTHORITY, INTO ANOTHER ACCOUNT) *general fund*. The (AUTHORITY) *commissioner* may collect fees, initially or from time to time, or both, with respect to any direct loan (IT EXTENDS) *extended* or any insurance or guarantee (IT GRANTS) *granted by the authority*. The (AUTHORITY MAY ENTER INTO) *commissioner shall administer* contracts and security instruments with businesses, with bond and note holders or any trustee for them, or financial institutions or other persons *entered into by the authority* to provide for and secure the repayment to the authority of money provided by the authority from the funds or their accounts for direct loans or which have been paid by the authority from a fund or account pursuant to an authority guarantee or insurance.

The state covenants with all holders of the authority's bonds and notes *issued before the effective date of this section*, financial institutions, and other persons interested in the disposition of money in the funds or their accounts, which money the authority has irrevocably pledged and allocated for any authorized purpose described in this subdivision, that the state will not take any action to limit the effect of the pledge and allocation and will not take any action to limit the effect of contracts entered into as authorized in this subdivision with respect to the pledge and allocation and will not limit or alter the rights vested in the authority or the state to administer the application of money pursuant to the pledge and allocation and to perform its obligations under the contracts *before the effective date of this section*. The authority may include and

recite this covenant of the state in any of its bonds or notes benefiting from the pledges and allocation or contracts or related documents or resolutions.

The commissioner shall deposit in the general fund any money in the funds that is not legally bound to guarantee any outstanding loan, bond or note, or that is not pledged or obligated in any contract entered into by the authority or its successor.

Sec. 57. Minnesota Statutes 1984, section 116M.06, subdivision 4, is amended to read:

Subd. 4. [(CREATION OF) ECONOMIC DEVELOPMENT FUND.] (THERE IS CREATED) The economic development fund is to be administered by the (AUTHORITY) *commissioner*. (ALL MONEY IN THE FUND IS APPROPRIATED TO THE AUTHORITY TO ACCOMPLISH THE AUTHORITY'S PURPOSES.)

(THE MONEY IN THE ECONOMIC DEVELOPMENT FUND MUST BE USED AS PROVIDED IN THIS CHAPTER AND CHAPTERS 472 AND 474, TO PROVIDE FINANCIAL ASSISTANCE TO BUSINESSES, ELIGIBLE SMALL BUSINESSES, TARGETED SMALL BUSINESSES, AND FARM BUSINESSES. THIS FINANCIAL ASSISTANCE INCLUDES BUSINESS LOANS, POLLUTION CONTROL LOANS, SMALL BUSINESS LOANS, AND FARM LOANS AND THE PURCHASING, LEASING, OR LICENSING OF TECHNOLOGY RELATED PRODUCTS OR RIGHTS TO THE PRODUCTS.)

Sec. 58. Minnesota Statutes 1984, section 116M.06, subdivision 7, is amended to read:

Subd. 7. Neither the state nor any other agency or political subdivision of the state shall be liable on any bond, note or other obligation (OF THE AUTHORITY) *issued under this chapter*, and no bond, note, or other obligation (OF THE AUTHORITY) *issued under this chapter* shall constitute a debt or loan of credit of the state or any political subdivision or any individual member of the authority.

Sec. 59. Minnesota Statutes 1984, section 116M.06, subdivision 8, is amended to read:

Subd. 8. The state pledges and agrees with all holders of obligations of the authority that it will not limit or alter the rights vested in the (AUTHORITY) *commissioner* to fulfill their terms, and will not in any way impair the rights or remedies of the holders, until all of the obligations and interest on them, with interest on any unpaid installments of interest and all costs and

expenses in connection with any action or proceeding by or on behalf of such holders to enforce the payment and other provisions of the obligations, are fully met and discharged. The authority is authorized to include and recite this pledge and agreement of the state in any obligation or related document *issued before the effective date of this section.*

Sec. 60. Minnesota Statutes 1984, section 116M.06, subdivision 10, is amended to read:

Subd. 10. The property of the authority *and its successor* and (ITS) *their* income and operation shall be exempt from all taxation by the state or any of its political subdivisions.

Sec. 61. Minnesota Statutes 1984, section 116M.07, subdivision 12, is amended to read:

Subd. 12. [REPORTS.] (a) Each financial institution that participates in a pollution control or business loan with the (AUTHORITY) *commissioner* shall annually on or before March 1 submit a report for the prior calendar year to the authority on a form prescribed by the commissioner. The report shall include a listing of each (NEW AND) outstanding loan in which the financial institution is a participant, (THE AMOUNT AND TERMS OF THE LOAN, THE PURPOSE OF THE LOAN,) and any other information as the commissioner may reasonably require.

(b) The (AUTHORITY) *commissioner* shall annually on or before May 1 submit a report (ON A FORM PRESCRIBED BY THE COMMISSIONER) for the prior calendar year to the state auditor (ON ALL LOANS THAT IT MAKES, PURCHASES, OR PARTICIPATES IN). The report shall include a listing of each (NEW AND) outstanding loan (IN WHICH THE FINANCIAL INSTITUTION IS A PARTICIPANT, THE AMOUNT AND TERMS OF THE LOAN, THE PURPOSE OF THE LOAN) *that the commissioner has made, purchased, or participated in,* and any other information as the state auditor may reasonably require.

(c) The state auditor shall annually on or before July 1 submit a report for the prior calendar year to the governor and the legislature summarizing the report submitted pursuant to clause (b).

(d) The cost of preparing and submitting the reports required by this subdivision shall be borne by the party submitting it. (ANY FINANCIAL INSTITUTION THAT FAILS TO COMPLY WITH THE REQUIREMENTS OF THIS SUBDIVISION SHALL BE PROHIBITED FROM PARTICIPATING IN FUTURE LOANS UNTIL IT COMPLIES.)

Sec. 62. Minnesota Statutes 1985 Supplement, section 116M.08, subdivision 1, is amended to read:

Subdivision 1. In implementing the purposes and the programs described in this chapter and chapters 472 and 474, the (AUTHORITY SHALL HAVE) *commissioner has the powers and duties set forth in this section.*

Sec. 63. Minnesota Statutes 1984, section 116M.08, subdivision 2, is amended to read:

Subd. 2. (IT) *The commissioner may sue and be sued.*

Sec. 64. Minnesota Statutes 1984, section 116M.08, subdivision 3, is amended to read:

Subd. 3. (IT) *The commissioner may have a seal and alter the same at will.*

Sec. 65. Minnesota Statutes 1984, section 116M.08, subdivision 4, is amended to read:

Subd. 4. (IT) *The commissioner may adopt, amend, and repeal rules, (INCLUDING EMERGENCY RULES,) not inconsistent with the provisions of this chapter and chapters 472 and 474 as necessary to effectuate its purposes. (THE AUTHORITY TO ADOPT EMERGENCY RULES EXPIRES JUNE 30, 1985.)*

Sec. 66. Minnesota Statutes 1984, section 116M.08, subdivision 5, is amended to read:

Subd. 5. (IT) *The commissioner may acquire, hold and dispose of personal property (FOR ITS CORPORATE PURPOSES).*

Sec. 67. Minnesota Statutes 1984, section 116M.08, subdivision 6, is amended to read:

Subd. 6. (IT) *The commissioner may enter into agreements or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association or organization.*

Sec. 68. Minnesota Statutes 1984, section 116M.08, subdivision 7, is amended to read:

Subd. 7. (IT) *The commissioner may acquire real property, or an interest therein (, IN ITS OWN NAME,) by purchase or foreclosure, where such acquisition is necessary or appropriate to protect any loan in which the (AGENCY) the commissioner has an interest and may sell, transfer and convey any such prop-*

erty to a buyer and, in the event such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, may lease such property to a tenant.

Sec. 69. Minnesota Statutes 1984, section 116M.08, subdivision 8, is amended to read:

Subd. 8. (IT) *The commissioner* may sell, at public or private sale, any note, mortgage or other instrument or obligation evidencing or securing a loan.

Sec. 70. Minnesota Statutes 1984, section 116M.08, subdivision 9, is amended to read:

Subd. 9. (IT) *The commissioner* may procure insurance against any loss in connection with (ITS) property in the amounts, and from the insurers, as may be necessary or desirable. (IT) *The commissioner* may obtain municipal bond insurance, letters of credit, surety obligations, or equivalent security for its bonds and notes.

Sec. 71. Minnesota Statutes 1984, section 116M.08, subdivision 10, is amended to read:

Subd. 10. (IT) *The commissioner* may consent, whenever it deems it necessary or desirable in the fulfillment of (ITS) *this chapter's* purpose, to the modification of the rate of interest, time of payment, or any installment of principal or interest, or other term, of a contract or agreement of any kind to which the (AUTHORITY) *commissioner* is a party.

Sec. 72. Minnesota Statutes 1985 Supplement, section 116M.-08, subdivision 14, is amended to read:

Subd. 14. (IT MAY ESTABLISH AND) *The commissioner shall collect (REASONABLE) fees and interest and amortization payments on loans made by the authority, and (IN CONNECTION THEREWITH MAY ESTABLISH AND COLLECT OR AUTHORIZE THE COLLECTION OF REASONABLE FEES AND CHARGES OR REQUIRE) shall administer money (TO BE) placed in escrow with the authority (, SUFFICIENT TO PROVIDE FOR THE PAYMENT AND SECURITY OF ITS BONDS, NOTES, COMMITMENTS AND OTHER OBLIGATIONS AND FOR THE SERVICING THEREOF, TO PROVIDE REASONABLE ALLOWANCES FOR OR INSURANCE AGAINST LOSSES WHICH MAY BE INCURRED AND TO COVER THE COST OF ISSUANCE OF OBLIGATIONS AND TECHNICAL, CONSULTATIVE, AND PROJECT ASSISTANCE SERVICES).*

Sec. 73. Minnesota Statutes 1985 Supplement, section 116M.-08, subdivision 15, is amended to read:

Subd. 15. (IT) *The commissioner* may cause any money not required for immediate disbursement, including the general reserve account, to be invested in direct obligations of or obligations guaranteed as to principal and interest by the United States, or in insured savings accounts, up to the amount of the insurance, in any institution the accounts of which are insured by the federal savings and loan insurance corporation or to be deposited in a savings or other account in a bank insured by the federal deposit insurance corporation or to be invested in time certificates of deposit issued by a bank insured by the federal deposit insurance corporation and maturing within one year or less and in the investments described in section 11A.24, subdivision 4, except clause (d) of subdivision 4. (IT) *The commissioner* may deposit money in excess of the amount insured with security as provided in chapter 118. Notwithstanding the foregoing, (IT) *the commissioner* may invest and deposit money into accounts established pursuant to resolutions or indentures securing its bonds or notes in such investments and deposit accounts or certificates, and with such security, as may be agreed therein with the holders or a trustee for the holders.

Sec. 74. Minnesota Statutes 1984, section 116M.08, subdivision 17, is amended to read:

Subd. 17. Financial information, including, but not limited to, credit reports, financial statements and net worth calculations, received or prepared by the (AUTHORITY) *commissioner* regarding any authority loan, financial assistance, or insurance is private data with regard to data on individuals as defined in section 13.02, subdivision 9 and nonpublic data with regard to data not on individuals as defined in section 13.02, subdivision 12.

Sec. 75. Minnesota Statutes 1984, section 116M.08, subdivision 19, is amended to read:

Subd. 19. Proceeds of the (AUTHORITY'S) *commissioner's* bonds, notes, and other obligations; amounts granted or appropriated to the authority for the making or purchase or the insurance or guaranty of loans or for bond reserves; income from investment; money in the funds; and all revenues from loans, fees, and charges of the authority including rentals, royalties, dividends, or other proceeds in connection with technology-related products, energy conservation products, or other equipment are annually appropriated to the authority for the accomplishment of (ITS CORPORATE) *the commissioner's* purposes and shall be expended, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the agency. Notwithstanding section 16A.28, these appropriations are available until expended.

Sec. 76. Minnesota Statutes 1984, section 116M.08, subdivision 20, is amended to read:

Subd. 20. The (AUTHORITY) *commissioner* may receive payments in the form of royalties, dividends, or other proceeds in connection with technology-related products, energy conservation products, or other equipment which (IT) *the commissioner* has purchased or in which it has participated.

Sec. 77. Minnesota Statutes 1984, section 116M.08, subdivision 21, is amended to read:

Subd. 21. The (AUTHORITY) *commissioner* may do all things necessary and proper to fulfill (ITS PURPOSE AND) the purposes (AS) provided in this chapter and chapters 472 and 474.

Sec. 78. Minnesota Statutes 1985 Supplement, section 116M.-11, subdivision 1, is amended to read:

Subdivision 1. [ENERGY LOAN INSURANCE ACCOUNT.] An energy loan insurance account is (CREATED) in the energy fund. (THE ACCOUNT SHALL BE USED BY THE AUTHORITY AS A REVOLVING ACCOUNT, AND ALL MONEY IN THE ACCOUNT IS APPROPRIATED TO THE AUTHORITY, FOR CARRYING OUT THE PROVISIONS OF THIS SECTION WITH RESPECT TO LOANS INSURED UNDER SUBDIVISION 2.)

Sec. 79. Minnesota Statutes 1985 Supplement, section 116M.-12, subdivision 3, is amended to read:

Subd. 3. [ENERGY DEVELOPMENT ACCOUNT.] An energy development account is (CREATED) in the energy fund (AND IS ELIGIBLE TO RECEIVE APPROPRIATIONS). The (AUTHORITY MAY IRREVOCABLY PLEDGE AND APPROPRIATE ALL OR A SEGREGATED PORTION OF THE ENERGY DEVELOPMENT ACCOUNT TO MAKE PRINCIPAL AND INTEREST PAYMENTS WHEN DUE ON ALL OR ONE OR MORE SERIES OF ITS OBLIGATIONS FOR WHICH OTHER MONEY IS NOT AVAILABLE, PURSUANT TO THE TERMS AND CONDITIONS THE AUTHORITY SHALL PRESCRIBE. THE AUTHORITY MAY OTHERWISE OPERATE THE ACCOUNT ACCORDING TO SECTION 116M.06. IN THE EVENT THE AUTHORITY SHALL DETERMINE THAT THE ENERGY DEVELOPMENT ACCOUNT IS OR WILL BE DEPLETED IN CONNECTION WITH THE USE OF THE ACCOUNT AS AUTHORIZED BY THE ACT WHICH HAS BEEN APPROVED OR GIVEN PRELIMINARY APPROVAL BY THE AUTHORITY, THEN THE AUTHORITY MAY BY RESOLUTION TRANSFER MONEY FROM THE ENERGY LOAN INSURANCE ACCOUNT CREATED PURSUANT TO SECTION 116M.11) *commissioner shall administer the account in accordance with pledges made by the authority.*

Sec. 80. Minnesota Statutes 1985 Supplement, section 116M.12, subdivision 4, is amended to read:

Subd. 4. [INVESTMENT INCOME.] All interest and profits accruing from investment of the energy development account's money shall be credited to and be part of the energy development account, and any loss incurred in the principal of the investment of the reserve account shall be borne by the energy development account. Assets of the energy development account shall be invested only in direct obligations or obligations of agencies of the United States or in insured depository accounts, up to the amount of the insurance, in any institution insured by an agency of the United States government, or in other obligations or depository accounts referred to in section 11A.24, subdivision 4, except clause (d) of that subdivision. Other money (OF THE AUTHORITY) shall be invested or deposited in the manner and with the security provided in bond or note resolutions or indentures under which obligations of the authority (ARE) *have been* issued for the program.

Sec. 81. Minnesota Statutes 1984, section 116M.12, subdivision 6, is amended to read:

Subd. 6. [FUNDING.] All proceeds of the (AUTHORITY'S) *commissioner's* bonds, notes, and other obligations, any amounts granted or appropriated to the (AUTHORITY) *commissioner* to make, purchase, or insure loans, or for bond reserves, all income from the investment thereof, and all revenues from loans, fees, and charges of the authority are annually appropriated to the (AUTHORITY) *commissioner* to accomplish its purposes and shall be expended, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the authority.

Sec. 82. Minnesota Statutes 1985 Supplement, section 173.085, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ERECT.] (a) A lesser populated statutory or home rule charter city of Minnesota that has received instruction and expertise from (THE DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT) *a state agency* on attracting and retaining businesses for the city and subsequently has been designated (AND ANNUALLY RE-CERTIFIED) as a star city for economic development (BY THAT DEPARTMENT) may erect star city signs upon payment of a fee required under section 173.13, subdivision 4, to the department of transportation. One sign may be erected at each approach to the city within the right-of-way of an interstate or other highway that passes inside the city limits.

(b) Notwithstanding the provisions of paragraph (a), a lesser populated statutory or home rule charter city that has an

official sign in an adjacent area of an approach of an interstate highway passing through or near the city as of August 1, 1985 may replace that sign with a star city sign upon payment of a fee required under section 173.13, subdivision 4, to the department of transportation.

Sec. 83. [216A.086] [EMERGENCY ENERGY ALLOCATION.]

The director of public service shall prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy or a threat to the public health, safety, or welfare.

Sec. 84. Minnesota Statutes 1984, section 273.1312, subdivision 1, is amended to read:

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

(1) "Commissioner" means the commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *revenue*.

(2) "Enterprise zone" means an area in the state designated as such by the commissioner upon proper application by the governing body of the area in which it is located.

(3) "Governing body" means the county board of a county except with respect to an area in a city, whose governing body is the city council or other body designated by its charter, or an area constituting part or all of an Indian reservation, whose governing body is that tribal or federal agency recognized as such by the United States secretary of the interior.

(4) "HUD" means the United States secretary of housing and urban development or his delegate or successor.

(5) "Indian reservation" means an area determined to be such by the United States secretary of the interior.

(6) "SMSA" means a standard metropolitan statistical area as defined in section 103A(1)(4)(B) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 85. Minnesota Statutes 1984, section 273.1314, subdivision 1, is amended to read:

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

(a) "City" means a statutory or home rule charter city.

(b) "Commissioner" means the commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *revenue*.

(c) "Legislative advisory commission" means the legislative advisory commission established under section 3.30.

(d) "Municipality" means a city or a county for an area located outside the boundaries of a city. If an area lies in two or more cities or in both incorporated and unincorporated areas, municipality shall include an entity formed pursuant to section 471.59 by the governing bodies of the cities with jurisdiction over the incorporated area and the counties with jurisdiction over the unincorporated area.

Sec. 86. Minnesota Statutes 1985 Supplement, section 273.-1314, subdivision 9, is amended to read:

Subd. 9. [AUTHORIZED FORMS OF STATE TAX REDUCTIONS.] (a) The following types of tax reductions may be approved by the commissioner for businesses located in an enterprise zone:

(1) an exemption from the general sales tax imposed by chapter 297A for purchases of construction materials or equipment for use in the zone if the purchase was made after the date of application for the zone;

(2) a credit against the income tax of an employer for additional workers employed in the zone, other than workers employed in construction, up to a maximum of \$3,000 per employee per year;

(3) an income tax credit for a percentage of the cost of debt financing to construct new or expanded facilities in the zone;

(4) a state paid property tax credit for a portion of the property taxes paid by a new commercial or industrial facility or the additional property taxes paid by an expansion of an existing commercial or industrial facility in the zone; and

(5) a complete abatement of all corporate income and excise taxes under chapter 290, property taxes, and sales and use taxes under chapter 297A on the purchase of construction materials or equipment for use in the zone if the zone is designated pursuant to section 273.1312, subdivision (4), paragraph (c), clause (4). Local taxing authorities with an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (4), will be reimbursed by the state for foregone property taxes only to the extent that the local taxing authority can demonstrate the development within that zone has imposed an additional net financial burden on its budget. The additional net financial burden shall be determined by subtracting the increase in the total

equalized assessed property value of the local taxing authority that is in excess of a statewide average increase in equalized assessed property values as determined by the commissioner (OF REVENUE), multiplied by the mill rate of the local taxing authority for taxes payable in the current year, from the additional direct costs the development has placed on the local taxing authority's budget for the current year. The commissioner (OF ENERGY AND ECONOMIC DEVELOPMENT, IN CONSULTATION WITH THE COMMISSIONER OF REVENUE,) shall review that local taxing authority's demonstration of additional financial burden and determine the amount which the state will reimburse the local taxing authority for foregone property tax revenue.

(b) The municipality shall specify in its application for designation the types of tax reductions it seeks to be made available in the zone and the percentage rates and other appropriate limitations on the reductions.

(c) Upon designation of an enterprise zone and approval by the commissioner of the tax reductions to be made available therein, the commissioner (OF REVENUE) shall take the steps necessary to implement the tax reductions.

(d) The tax reductions provided by this subdivision shall not apply to any facility described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or to any regulated public utility.

(e) The commissioner shall approve tax reductions authorized by paragraph (a) within an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), only after the governing body of a city designated as an enterprise zone has designated an area or areas, each consisting of at least 100 acres, of the city not in excess of 400 acres in which the tax reductions may be provided.

(f) In addition to the tax reductions authorized by paragraph (a), for an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (3), the following types of tax reductions may be approved:

(1) A credit against income tax for workers employed in the zone and not qualifying for a credit under paragraph (a), clause (2), subject to a maximum of \$1,500 per employee per year;

(2) A state paid property tax credit for a portion of the property taxes paid by a commercial or industrial facility located in the zone. Notwithstanding paragraph (d), the credits provided by this paragraph may be provided to the businesses described in section 103 (b)(6)(O)(i) of the Internal Revenue Code of 1954, as amended through December 31, 1983.

(g) Each tax reduction provided to a business pursuant to this subdivision shall terminate not longer than five years after the effective date of the tax reduction for the business. Subject to the five-year limitation, the tax reductions may be provided after expiration of the zone's designation.

(h) The income tax credits provided pursuant to clauses (a) and (f) may be refundable.

Sec. 87. Minnesota Statutes 1984, section 273.1314, subdivision 16, is amended to read:

Subd. 16. [INFORMATION SHARING.] Notwithstanding the provisions of sections 290.61 and 297A.43, the commissioner (OF REVENUE) may share information with (THE COMMISSIONER OR WITH) a municipality receiving an enterprise zone designation, insofar as necessary to administer the funding limitations provided by subdivision 8.

Sec. 88. Minnesota Statutes 1985 Supplement, section 273.74, subdivision 2, is amended to read:

Subd. 2. [CONSULTATIONS; COMMENT AND FILING.] Before formation of a tax increment financing district, the authority shall provide an opportunity to the members of the county boards of commissioners of any county in which any portion of the proposed district is located and the members of the school board of any school district in which any portion of the proposed district is located to meet with the authority. The authority shall present to the members of the county boards of commissioners and the school boards its estimate of the fiscal and economic implications of the proposed tax increment financing district. The members of the county boards of commissioners and the school boards may present their comments at the public hearing on the tax increment financing plan required by subdivision 3. The county auditor shall not certify the original assessed value of a district pursuant to section 273.76, subdivision 1, until the county board of commissioners has presented its written comment on the proposal to the authority, or 30 days has passed from the date of the transmittal by the authority to the board of the information regarding the fiscal and economic implications, whichever occurs first. Upon adoption of the tax increment financing plan, the authority shall file a copy of the plan with the commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *revenue*. The authority must also file with the commissioner a copy of the development plan for the project area.

Sec. 89. Minnesota Statutes 1984, section 273.74, subdivision 5, is amended to read:

Subd. 5. [ANNUAL DISCLOSURE.] For all tax increment financing districts, whether created prior or subsequent to August 1, 1979, on or before July 1 of each year, the authority shall

submit to the county board, the school board, the commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) revenue and, if the authority is other than the municipality, the governing body of the municipality a report of the status of the district. The report shall include the following information: the amount and the source of revenue in the account, the amount and purpose of expenditures from the account, the amount of any pledge of revenues, including principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the authority, the captured assessed value shared with other taxing districts, the tax increment received and any additional information necessary to demonstrate compliance with any applicable tax increment financing plan. An annual statement showing the tax increment received and expended in that year, the original assessed value, captured assessed value, amount of outstanding bonded indebtedness and any additional information the authority deems necessary shall be published in a newspaper of general circulation in the municipality.

Sec. 90. Minnesota Statutes 1984, section 290.069, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) "Small business assistance office" means a nonprofit corporation which is formed under chapter 317, is an exempt organization under section 501(c)(3) of the Internal Revenue Code, and satisfies the following conditions:

(1) The primary purpose of the corporation is to aid in the formation of new businesses which create jobs in the state by training or providing other direct assistance to entrepreneurs, managers, inventors, and other individuals in the development, financing, and operation of qualified small businesses.

(2) The corporation provides audited financial statements to all contributors and the commissioner of energy and economic development within 90 days following the close of the corporation's fiscal year.

(3) The corporation employs, at least, two full-time professional employees or the equivalent. This clause is satisfied if the corporation employs one full-time professional employee and shares a professional employee with another organization engaged in related activities, including but not limited to providing development financing or other services to businesses.

(4) The corporation is not engaged in providing financing or primarily engaged in arranging financing for businesses.

(5) The commissioner of energy and economic development certifies that the corporation satisfies the requirements of this paragraph for the calendar year.

(b) "Technology" means a proprietary process, formula, pattern, device, or compilation of scientific or technical information unless it

- (1) is in the public domain; or
- (2) cannot be accurately valued.

(c) "Controlled group of corporations" means the controlled group of corporations as defined in section 1563 of the Internal Revenue Code, and if the corporation is part of a unitary business, includes the corporations or entities constituting the unitary business which are not in the controlled group of corporations as defined in section 1563.

(d) An "innovation center public corporation" is a nonprofit public corporation located at a state university in Minnesota that has the purpose of assisting, encouraging, developing, and advancing the high technology small business prosperity and economic welfare of the state.

(e) The "Internal Revenue Code" means the Internal Revenue Code of 1954, as amended through December 31, 1983.

(f) "Qualified small business" means an entity, whether organized as a corporation, partnership, or proprietorship, organized for profit that satisfies the following conditions.

(1) The entity had 20 or fewer employees and had less than \$1,000,000 in gross annual receipts in each of its three previous taxable years. The number of employees for purposes of this clause and clause (2) shall be determined on an annualized full-time equivalent basis.

(2) The entity is not a subsidiary or an affiliate of an entity which employs more than 20 employees or which had total gross receipts for the previous year of more than \$1,000,000, computed by aggregating all of the employees and gross receipts of the business entities affiliated with the business.

(3) The entity has its commercial domicile in this state.

(4) The entity did not derive more than 20 percent of its gross receipts from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities in one or more of the three previous taxable years. Gross receipts from the sale of stock or securities shall be taken into account only to the extent of gains realized. If the business was not in operation for an entire year at the time of application for certification, this clause is not satisfied if the entity engages in or intends to engage in a trade or business producing or is likely to

derive more than 20 percent of its gross receipts from rents, royalties, dividends, interest, annuities, and sales or exchanges of stock or securities. This clause does not apply to the first taxable year of the entity if the total amount of passive income for the year is less than \$3,000 or to a sole proprietor.

(5) The entity is not engaged in a trade or business, the primary purpose of which is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through December 31, 1983.

(6) The commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *revenue* certifies that the entity satisfies the requirements of clauses (1) to (5). An income tax return filed with the commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *revenue* in order to obtain a certification is nonpublic data or private data on individuals, whichever is applicable, as defined in section 13.02.

A qualified small business does not include an entity engaged primarily in providing licensed professional services.

Sec. 91. Minnesota Statutes 1985 Supplement, section 297A.-257, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION OF DISTRESSED COUNTIES.] (a) The commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *revenue* shall annually on June 1 designate those counties which are distressed. A county is distressed if it satisfies either of the following two criteria:

(1) The county has an average unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made; or

(2) the unemployment rate for the entire county was greater than 110 percent of the state average for the 12-month period ending the previous April 30, and 20 percent or more of the county's economy, as determined by the commissioner of economic security, is dependent upon agriculture.

If, as a result of a plant closing, layoffs or another similar event affecting a significant number of employees in the county, the commissioner has reason to believe that the average unemployment in the county will exceed ten percent during the one-year period beginning April 30, the commissioner may designate the county as distressed, notwithstanding clause (1).

(b) The commissioner shall designate a portion of a county containing a city of the first class located outside of the metropolitan area as a distressed county if:

(1) that portion of the county has an unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made; and

(2) that portion of the county has a population of at least 50,000 as determined by the 1980 federal census.

(c) A county or the portion of a county designated pursuant to this subdivision shall be considered a distressed county for purposes of this section and chapter 116M.

(d) Except as otherwise specifically provided, the determination of whether a county is distressed must be made using the most current data available from the state demographer. The designation of a distressed county is effective for the 12-month period beginning July 1. A county may be designated as distressed as often as it qualifies.

(e) The authority to designate counties as distressed expires on June 30, 1989.

Sec. 92. Minnesota Statutes 1985 Supplement, section 297A.-257, subdivision 3, is amended to read:

Subd. 3. [RULEMAKING AUTHORITY.] In order to carry out the purposes of this section, the commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *revenue* may adopt administrative rules under chapter 14. The commissioner may adopt emergency rules effective through December 31, 1986.

Sec. 93. Minnesota Statutes 1984, section 301A.07, subdivision 1, is amended to read:

Subdivision 1. All the corporate powers of the corporation shall be exercised by a board of not less than nine elected directors who shall be residents of Minnesota. One-third of the directors shall be elected from persons who are actively engaged in the vacation travel industry in the region of incorporation. The remaining number of directors shall be elected from persons representative of and involved in any of the lending institutions which are nonstockholder members of the corporation. The (COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT) *director of the office of tourism* or his designated representative and the director or chairman of the regional development or planning agency as designated in the bylaws, or his designated representative, shall be ex officio directors, with all the authority but without the liability as directors, except for gross negligence or willful misconduct. The number of directors and their terms of office shall be determined by the bylaws. If a vacancy occurs in the board of directors through death, resignation, or otherwise, the remaining directors may elect a person to fill the vacancy until the next annual meeting of the corporation.

Sec. 94. Minnesota Statutes 1984, section 325F.19, subdivision 3, is amended to read:

Subd. 3. "Commissioner" means the commissioner of (ENERGY AND ECONOMIC DEVELOPMENT) *commerce*.

Sec. 95. Minnesota Statutes 1984, section 325F.24, subdivision 3, is amended to read:

Subd. 3. The provisions of (SECTION 325F.22) *sections 325F.20 to 325F.23* may be enforced by the attorney general pursuant to section 8.31. The attorney general may recover costs and disbursements, including costs of investigation and reasonable attorney's fees. In addition to the remedies otherwise provided by law, any person injured by a violation of sections 325F.20, 325F.22, or 325F.23 may bring a civil action and recover damages together with costs of investigation and reasonable attorney's fees, and receive other equitable relief as determined by the court. The court may as appropriate enter a consent judgment or decree without the finding of illegality.

Sec. 96. Minnesota Statutes 1984, section 362A.06, is amended to read:

362A.06 [APPROVAL BY COMMISSIONER OF (ENERGY AND ECONOMIC DEVELOPMENT) *FINANCE*.]

(ANY AUTHORITY CONTEMPLATING THE EXERCISE OF THE POWERS GRANTED BY SECTIONS 362A.01 TO 362A.08 MAY APPLY TO THE COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT FOR INFORMATION, ADVICE, AND ASSISTANCE.) No authority shall undertake any project herein authorized until the commissioner of *finance* has approved the project, on the basis of preliminary information he may require, as tending to further the purposes and policies of sections 362A.01 to 362A.08. The commissioner is authorized to handle the preliminary information in a confidential manner, to the extent requested by the authority. Approval shall not be deemed to be an approval by the commissioner or the state of the feasibility of the project or the terms of the lease to be executed or the bonds to be issued therefor, and the commissioner shall so state in communicating the approval.

Sec. 97. Minnesota Statutes 1984, section 462.384, subdivision 7, is amended to read:

Subd. 7. "Commissioner" means the (COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT) *director of the state planning agency* exercising the authority conferred upon him by sections 116K.01 to 116K.07.

Sec. 98. Minnesota Statutes 1984, section 462A.04, subdivision 1, is amended to read:

Subdivision 1. There is created a public body corporate and politic to be known as the "Minnesota Housing Finance Agency," which shall perform the governmental functions and exercise the sovereign powers delegated to it in this chapter in furtherance of the public policies and purposes declared in section 462A.02. The agency shall consist of the (COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT,) state auditor, and (FIVE) *six* public members appointed by the governor with advice and consent of the senate. No more than two public members shall reside in the area of jurisdiction of the metropolitan council as provided in section 473.123, subdivision 1, and no more than one public member shall reside in any one of the development regions established under the provisions of sections 462.381 to 462.396. Each member shall hold office until his successor has been appointed and has qualified. A certificate of appointment or re-appointment of any member shall be conclusive evidence of the due and proper appointment of the member.

Sec. 99. Minnesota Statutes 1984, section 462A.04, subdivision 4, is amended to read:

Subd. 4. The chairman of the board of directors shall be designated by the governor from among the public members appointed. (THE VICE CHAIRMAN OF THE BOARD SHALL BE THE COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT.)

Sec. 100. Minnesota Statutes 1984, section 462A.05, subdivision 15b, is amended to read:

Subd. 15b. It may make grants to assist in energy conservation rehabilitation measures for existing owner occupied housing including, but not limited to: insulation, storm windows and doors, furnace or space heater repair, cleaning or replacement, chimney construction or improvement, weatherstripping and caulking, and structural or other directly related repairs essential for energy conservation. The grant to any household shall not exceed \$2,000.

To be eligible for an emergency energy conservation grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the (COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT) *executive director of the agency*, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The housing finance agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance

the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other housing finance agency loan or grant programs.

Sec. 101. Minnesota Statutes 1984, section 462A.05, subdivision 21, is amended to read:

Subd. 21. The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low and moderate income tenants and which does not comply with the standards established in *Minnesota Statutes 1984*, section 116J.27, subdivision 3, for the purpose of energy improvements necessary to bring the property into compliance with these standards. For property which meets the other requirements of this subdivision and, in addition, is at least 15 years old, a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgages contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision.

Sec. 102. Minnesota Statutes 1984, section 462A.05, subdivision 23, is amended to read:

Subd. 23. The agency may participate in loans or establish a fund to insure loans, or portions of loans, that are made by any banking institution, savings and loan association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in this state, to owners of renter occupied homes or apartments that do not comply with standards set forth in *Minnesota Statutes 1984*, section 116J.27, subdivision 3, without limitations relating to the maximum incomes of the owners or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of improvements, including all related structural and other improvements, that will reduce energy consumption.

Sec. 103. Minnesota Statutes 1984, section 465.74, subdivision 1, is amended to read:

Subdivision 1. [CITIES OF THE FIRST CLASS.] Any city operating or authorized to operate a public utility pursuant to chapter 452 or its charter is authorized to acquire, construct, own, and operate a municipal district heating system pursuant to the provisions of that chapter or its charter. Acquisition or construction of a municipal district heating system shall not be subject to the election requirement of sections 452.11 and 452.12, or city charter provision, but must be approved by a three-fifths

vote of the city's council or other governing body. (LOANS OBTAINED BY A MUNICIPALITY PURSUANT TO SECTION 116J.36 ARE NOT SUBJECT TO THE LIMITATIONS ON THE AMOUNT OF MONEY WHICH MAY BE BORROWED UPON A PLEDGE OF THE CITY'S FULL FAITH AND CREDIT OR THE ELECTION REQUIREMENTS FOR GENERAL OBLIGATION BORROWING, CONTAINED IN SECTION 452.08.)

Sec. 104. Minnesota Statutes 1984, section 465.74, subdivision 4, is amended to read:

Subd. 4. [NET DEBT LIMITS.] The loan obligations or debt incurred by a political subdivision pursuant to section (116J.36 OR) 475.525 shall not be considered as a part of its indebtedness under the provisions of its governing charter or of any law of this state fixing a limit of indebtedness.

Sec. 105. Minnesota Statutes 1984, section 465.74, subdivision 6, is amended to read:

Subd. 6. [DEFINITION.] For the purposes of this section, and chapters 474 and 475, "district heating system" means any existing or proposed facility for (1) the production, through co-generation or otherwise, of hot water or steam to be used for district heating, or (2) the transmission and distribution of hot water or steam for district heating either directly to heating consumers or to another facility or facilities for transmission and distribution, or (3) any part or combination of the foregoing facilities.

(IN KEEPING WITH THE PUBLIC PURPOSE OF SECTION 116J.36, SUBDIVISION 1, TO ENCOURAGE STATE AND LOCAL LEADERSHIP AND AID IN PROVIDING AVAILABLE AND ECONOMICAL DISTRICT HEATING SERVICE,) The definition of "district heating system" under this section should be broadly construed to allow municipal government sufficient flexibility and authority to evaluate and undertake such policies and projects as will most efficiently and economically encourage local expansion of district heating service.

Sec. 106. Minnesota Statutes 1985 Supplement, section 472.03, subdivision 9, is amended to read:

Subd. 9. "Minnesota account" means the account appropriated to the (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *state planning agency* by section 472.13, to assist a local agency in financing or planning a redevelopment project.

Sec. 107. Minnesota Statutes 1985 Supplement, section 472.03, is amended by adding a subdivision to read:

Subd. 2a. "State agency" means the state planning agency.

Sec. 108. Minnesota Statutes 1985 Supplement, section 472.-11, subdivision 3, is amended to read:

Subd. 3. Money loaned by the (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *state agency* to the local agency shall be withdrawn from the Minnesota account established by section 472.13, and paid over to the local agency in such manner as shall be provided and prescribed by the rules and regulations of the (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *state agency*.

Sec. 109. Minnesota Statutes 1985 Supplement, section 472.-11, subdivision 9, is amended to read:

Subd. 9. The (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *state planning agency* is empowered to provide technical assistance loans from the Minnesota account for the development and planning of redevelopment projects. The technical assistance loans may be provided through the payment of money to: (a) other state agencies or departments; (b) the employment of private individuals; (c) the employment of public, private, or nonprofit firms; (d) state, area, district, or local organizations; or (e) other nonprofit institutions. Money awarded pursuant to clauses (b) and (c) shall be in the form of loans and shall be repaid unless the project is deemed unfeasible by the (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *state planning agency*. The (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *state planning agency* shall require the repayment of some or all technical assistance money and shall prescribe the terms and conditions of the repayment. The amount of technical assistance loans is limited to an aggregate of ten percent of the money available in the Minnesota account. The technical assistance loans shall not be included when computing the 20 percent limitation provided in section 472.125. The (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *state planning agency* may loan technical assistance money in cooperation with the technical assistance grant programs of any agency of the federal government. The (ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY) *state planning agency* may prescribe rules to carry out the purposes of this subdivision.

Sec. 110. Minnesota Statutes 1985 Supplement, section 472.13, is amended to read:

472.13 [MINNESOTA ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] In the economic development fund created in section 116M.06, subdivision 4, there is created a Minnesota account, to be drawn upon and used by

the (AUTHORITY) *state planning agency* in the manner and for the purposes provided for in sections 472.01 to 472.16.

Subd. 2. [LOANS.] The (AUTHORITY) *state planning agency* shall have the power, from time to time, to draw upon the Minnesota account the amounts the (AUTHORITY) *agency* determines for loans to local or area redevelopment agencies for the financing and planning of redevelopment projects. When the amounts so allocated by the (AUTHORITY) *agency* as loans to local or area redevelopment agencies are repaid to the (AUTHORITY) *agency* pursuant to the terms of its agreements with the local agency, the (AUTHORITY) *agency* shall pay the amounts into the Minnesota account, it being the purpose and intent of this section that the account shall operate as a revolving account whereby all appropriations and payments made to it may be applied and reapplied to the purposes of sections 472.01 to 472.16 and shall not revert to the general fund of the state.

Subd. 3. [EXCESS MONEY.] If the (AUTHORITY) *state planning agency* determines that money held for the credit of the Minnesota account is in excess of the amounts needed by the (AUTHORITY) *agency* to carry out the purposes of sections 472.01 to 472.16, the (AUTHORITY) *agency* may by resolution release the excess from the account and transfer it to the general fund of the state treasury.

Subd. 4. [MATCHING MONEY.] The (AUTHORITY) *agency* may utilize any money in the Minnesota account for the purpose of matching federal money available under the Public Works and Economic Development Act of 1965.

Sec. 111. [REVISOR'S INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor shall substitute the title "secretary of state" for "commissioner of energy and economic development" in every place where the latter title appears in sections 462.411 to 462.601. The revisor shall substitute the title "state auditor" for "commissioner of energy and economic development" in every place where the latter title appears in sections 462.605 to 462.716.

In the next and subsequent editions of Minnesota Statutes, the revisor shall substitute the title "commissioner of finance" for "energy and economic development authority," for "commissioner of energy and economic development," and for "department of energy and economic development" in every place where the latter titles appear in sections 474.01 and 474.16 to 474.26.

The revisor shall renumber statutory sections that are amended by sections 1 to 110 to transfer functions, so that the amended sections are codified in the chapter where the duties are transferred.

Sec. 112. [TRANSITION.]

Section 15.039 applies to transfer of functions mandated by sections 1 to 110, to the extent that transfer of personnel and funds is not specifically provided for in sections 1 to 110.

The commissioner of employee relations shall assist in the placement of incumbents of abolished positions in suitable classifications in state employment where vacancies exist during the biennium ending June 30, 1987.

Sec. 113. [REPEALER.]

Minnesota Statutes 1984, sections 16B.21, subdivision 2; 41A.02, subdivisions 2, 3, 9, and 10; 41A.03, subdivision 2; 41A.04, subdivision 2; 41A.07; 86A.09, subdivisions 1, 2, 3, and 4; 86A.10; 115A.07, subdivision 1; 115A.08, subdivisions 1, 2, and 3; 115A.162; 115A.90, subdivision 4; 116J.01, subdivisions 1 and 2; 116J.03; 116J.035, as amended by Laws 1985, First Special Session chapter 14, article 9, section 4; 116J.04; 116J.05; 116J.06, subdivisions 4, 5, 6, 7, 8, 10, 11, 12, and 13; 116J.07; 116J.08; 116J.09; 116J.10; 116J.11; 116J.12; 116J.13; 116J.14; 116J.15; 116J.17; 116J.18; 116J.19, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, and 14; 116J.20; 116J.21; 116J.22; 116J.23; 116J.24; 116J.26; 116J.261; 116J.262; 116J.27; 116J.30, subdivision 5; 116J.31; 116J.315; 116J.32; 116J.33; 116J.34; 116J.35; 116J.36, subdivisions 1, 2, 3, 3a, 3b, 3c, 4, 4a, 5, 7, 8, 8a, 9, and 11; 116J.37, subdivisions 2, 3, 4, 5, and 7; 116J.373; 116J.38; 116J.381; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.873, subdivisions 1, 2, and 3; 116M.01; 116M.02; 116M.03, subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 116M.04, subdivisions 1, 1a, 2, 3, 4, 5, 7, 8, 10, and 11; 116M.05, subdivision 6; 116M.06, subdivisions 1, 6, 11, 12, and 13; 116M.07, subdivisions 1, 3, 5, 6, 7, and 10; 116M.08, subdivisions 13, 16, and 18; 116M.09; 116M.10, as amended by Laws 1985, First Special Session chapter 13, section 266; 116M.12, subdivisions 1, 2, and 5; 116M.13, subdivisions 1, 2, and 3; 144A.071, subdivision 5; 161.1419, as amended by Laws 1985, chapter 285, section 9; 174.03, subdivision 7; 216B.165, subdivision 2; 301A.01, subdivision 1; 402.045; 402.062, subdivision 1; 402.095; 451.09, subdivision 2; 462.375; 462.421, subdivision 21; 462.445, subdivision 8; 462.595; 462A.072; and 472.03, subdivision 2; Minnesota Statutes 1985 Supplement, sections 3.875; 13.76; 41A.01; 41A.02, subdivision 7; 41A.03, subdivisions 1 and 3; 41A.04, subdivisions 1 and 3; 41A.08; 116J.19, subdivision 13; 116J.36, subdivision 6; 116J.37, subdivision 1; 116J.94; 116M.03, subdivision 27; 116M.04, subdivisions 6 and 9; 116M.05, subdivision 8; 116M.06, subdivisions 3 and 5; 116M.07, subdivisions 2, 4, 7a, 7b, 7c, 8, 9, 11, and 13; 116M.08, subdivisions 11 and 12; 116M.105; 116M.11, subdivisions 2, 3, and 4; 268.66, subdivision 2; and 474.17, subdivision 3, are repealed.

Sec. 114. [EFFECTIVE DATE.]

Sections 1 to 113 are effective May 1, 1986.

ARTICLE 7

HUMAN SERVICES; CORRECTIONS; HEALTH;
JOBS AND TRAINING; BOARDS AND COMMISSIONS

Section 1. [CHANGES IN APPROPRIATIONS, COMPLEMENTS.]

The sums in the columns marked "CHANGES" are changes in appropriations from the general fund, or any other fund named, to the agencies for the fiscal years indicated. The figures "1986," and "1987," in this article, mean that the changes listed under them are from the appropriations for the year ending June 30, 1986, or June 30, 1987, respectively. Reductions are in parentheses; other changes or unchanged numbers are not. Complement changes, if any, are also specified. The reductions are from the appropriations made in Laws 1985, First Special Session chapter 9.

SUMMARY OF CHANGES BY FUND

	1986	1987	TOTAL
General	(\$20,735,200)	(\$81,589,100)	(\$102,324,300)
Special	\$ 23,000	\$ 77,000	\$ 100,000
Total	(\$20,712,200)	(\$81,512,100)	(\$102,224,300)

CHANGES
for the Year
Ending June 30,

	1986	1987
	\$	\$

Sec. 2. COMMISSIONER OF HUMAN SERVICES

Subdivision 1. Medical Assistance	(2,172,500)	(24,109,900)
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The following amounts are reduced from the general fund for the biennium ending June 30, 1987, and are

1986

\$

1987

\$

reduced from the amounts in Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 5, paragraph (b).

(a) For services rendered on or after May 1, 1986, payments to vendors of medical care under medical assistance shall be reduced by 15 per cent.

(b) The maximum pharmacy dispensing fee under medical assistance shall be \$3.90 for services rendered on or after May 1, 1986.

(c) \$312,500 the first year and \$750,000 the second year for basing payments for prescription drugs upon generic prices, as authorized under Minnesota Statutes 1984, section 151.21.

(d) \$1,000,000 in the second year for requiring recipients of public assistance with health maintenance organization or other third-party coverage to use that coverage for medical services prior to making a claim under medical assistance.

(e) \$160,000 the first year and \$370,000 the second year for savings attributable to implementing the medical assistance waiver for chronically ill children.

(f) \$1,000,000 the first year and \$3,000,000 the second year for collecting money from nursing home escrow accounts.

(g) \$5,000,000 in the second year for eliminating the medical assistance federal benefit disregard for persons receiving retired, survivor's, and disability insurance benefits, veterans administration benefits, and railroad retirement benefits.

	1986	1987
	\$	\$

(h) \$75,000 in the second year for eliminating two positions to staff the prepayment initiatives under medical assistance.

(i) \$700,000 in the first year and \$800,000 in the second year for increased collections from third party payers and individuals for the cost of care of state hospital and state nursing home residents.

For the biennium ending June 30, 1987, the commissioner of human services shall increase recoveries of overpayments by \$300,000 through more aggressive surveillance and utilization review of providers rendering medical services to public assistance recipients.

For the biennium ending June 30, 1987, the commissioner of human services shall increase recoveries by \$2,300,000 through settling outstanding nursing home rate appeals.

Subd. 2. General Assistance		
Medical Care	0	(4,968,900)

The following amounts are reduced from the general fund for the biennium ending June 30, 1987, and are reduced from the amounts in Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 5, paragraph (b).

(a) For services rendered on or after May 1, 1986, payments to vendors of medical care under general assistance medical care shall be reduced by 28 percent.

(b) The maximum pharmacy dispensing fee under general assistance medical care shall be \$3.90 for services rendered on or after May 1, 1986.

Subd. 3. All other		
human services	(7,065,100)	(60,175,700)

	1986	1987
	\$	\$

The following amounts are reduced from the general fund for the biennium ending June 30, 1987, and are reduced from the amounts in Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 1.

(a) \$1,100,000 in the first year and \$1,100,000 in the second year for central office administration costs.

(b) \$1,423,000 in each year for the purpose of suspending equalization aid payments to the counties under Minnesota Statutes, section 245.74.

(c) \$774,300 in the first year and \$6,022,800 in the second year for community social services subsidies.

(d) \$500,000 each year in reduced administrative aids to the counties.

(e) \$920,700 in the second year in reduced social service and mental health grants. The reduction shall be equally distributed among all social service and mental health grants.

(f) \$250,000 in the first year and \$350,000 in the second year for implementing a sliding fee schedule for clients who are not eligible for medical assistance, but who are receiving alternative care grants.

(g) \$2,048,800 in the first year and \$2,143,400 in the second year for deferring the filling of new positions for staff working with mentally ill persons in fiscal year 1986 and phasing in the positions in fiscal year 1987.

(h) \$969,000 in the first year and \$836,000 in the second year for elimination of the central office space consolidation funds.

	1986	1987
	\$	\$

(i) \$150,000 in the second year for a reduction in the licensing complement by five positions.

(j) \$3,300,000 in the second year for delaying the general assistance family subsidy increase in Minnesota Statutes 1985 Supplement, section 256D.01, subdivision 1a, paragraph (a) until July 1, 1987.

(k) \$58,900 in the second year for the central office chemical dependency administration costs.

(l) \$41,000 in the second year for elimination of the American Indian chemical dependency grant inflation.

(m) \$215,000 in the second year for the funding of the Mash-Ka-Wisen treatment facility.

(n) \$263,000 in the second year for the Lakeside Center at Ah-Gwah-Ching nursing home.

(o) \$185,400 in the second year for abolishing three assistant commissioner positions.

The commissioner of human services shall increase the federal cost share by \$200,000 in the second year for the Title IVE child welfare project.

When the health, safety or welfare of a mentally ill individual would be in jeopardy, and where appropriate rehabilitation and support services are not available in the community, the individual may continue to reside in the state hospital until such time when appropriate services become available.

Subd. 4. Increases	0	10,896,800
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	1986		1987
	\$		\$

The following amounts are appropriated from the general fund for the biennium ending June 30, 1987, and are added to the amounts in Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 1.

(a) \$776,800 the second year for the state share of assistance payments and food stamps information system development. Federal money received during the biennium for this system is appropriated to the commissioner for purposes of system development and implementation.

(b) \$750,000 the second year for purposes of paying federal sanctions, in accordance with Minnesota Statutes 1985 Supplement, section 256.01, subdivision 2, paragraph (14), for quality control errors made in the food stamp program that exceed the federal tolerance level.

(c) \$3,500,000 the second year for work readiness administration and employment services.

(d) \$5,000,000 in the second year for the purpose of funding the catastrophic health expense protection plan in sections 13 to 17.

(e) \$500,000 in the second year for the purpose of funding the start-up costs of the state operated community-based services pilot projects in Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 6, paragraph (a), clause (1).

(f) \$20,000 in the second year for the purpose of the medical assistance study required in section 45.

Sec. 3. COMMISSIONER OF
 JOBS AND TRAINING (7,423,000) (2,827,000)

	1986	1987
	\$	\$

Of this amount, \$7,000,000 in fiscal year 1986 is reduced from the jobs program appropriation made in Laws 1985, First Special Session chapter 9, article 1, section 3, subdivision 2.

Of this amount, \$150,000 in fiscal year 1987 is reduced from the job training for opportunity industrialization centers appropriation made in Laws 1985, First Special Session chapter 9, article 1, section 3, subdivision 3.

Of this amount, \$300,000 in fiscal year 1987 is reduced from the economic opportunity appropriation made in Laws 1985, First Special Session chapter 9, article 1, section 3, subdivision 5.

Of this amount, \$1,200,000 in fiscal year 1987 is reduced from the youth employment program appropriation made in Laws 1985, First Special Session chapter 9, article 1, section 3, subdivision 3.

Of this amount, \$600,000 in fiscal year 1987 is reduced from the general assistance job placement appropriation made in Laws 1985, First Special Session chapter 9, article 1, section 3, subdivision 3.

<p>Sec. 4. OFFICE OF FULL PRODUCTIVITY AND OPPORTUNITY</p>	<p>(1,500,000)</p>	<p>0</p>
<p>Sec. 5. HAZARDOUS WASTE VICTIMS COMPENSATION BOARD</p>	<p>(81,600)</p>	<p>(81,900)</p>

Of the amount reduced from the second year, \$30,000 is transferred to the commissioner of health who shall transfer the same amount to the legislative commission on waste management for expenditure in the biennium

	1986	1987
	\$	\$
ending June 30, 1987. The commission may increase its complement by one position.		
Sec. 6. MINNESOTA JOB SKILLS PARTNERSHIP BOARD	(600,000)	0
Sec. 7. COMMISSIONER OF CORRECTIONS	(1,827,900)	(1,259,800)

The corrections commissioner shall transfer \$874,300 of dedicated revenue to the general fund for purposes of the reduction by June 30, 1987.

Notwithstanding any law to the contrary, the commissioner of corrections may, where economically feasible, convert the heating plant in any institution under the commissioner's control to fiber burning fuel.

Sec. 8. SENTENCING GUIDELINES COMMISSION	(7,700)	0
Sec. 9. CORRECTIONS OMBUDSMAN	(2,400)	(2,400)
Sec. 10. COMMISSIONER OF HEALTH		
Reductions	(55,000)	(240,300)

Of these amounts, \$55,000 for the purchase of a downhole camera in fiscal year 1986 and \$127,500 for a study of indoor air contamination in fiscal year 1987 are reduced from the preventive and protective health services appropriation made in Laws 1985, First Special Session chapter 9, article 1, section 8, subdivision 2.

Increases	0	1,180,000
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\$250,000 in the second year is added to the appropriation for preventive and protective health services in Laws

1985, First Special Session chapter 9, article 1, section 8, subdivision 2, for AIDS related programs and staff. Of this increase, \$27,700 shall be made available for counseling hemophiliacs who have AIDS or are at risk of contracting AIDS.

An increase of \$900,000 in fiscal year 1987 is added to the appropriation for preventive and protective health services in Laws 1985, First Special Session chapter 9, article 1, section 8, subdivision 2, for cancer surveillance.

	1986	1987
	\$	\$
Sec. 11. BOARD OF MEDICAL EXAMINERS	23,000	77,000

The appropriation in this section is from the special revenue fund.

Sec. 12. TRANSFER OF MONEY

For the biennium ending June 30, 1987, if the appropriation to an agency listed in this article in either year is insufficient to accomplish the specified reductions, the appropriation for the other year is available upon advance approval of the commissioner of finance.

Sec. 13. Minnesota Statutes 1984, section 62E.52, subdivision 2, is amended to read:

Subd. 2. "Eligible person" means any person who is a resident of Minnesota and who, while a resident of Minnesota, has been found by the commissioner to have incurred an obligation to pay:

(1) qualified expenses for himself and any dependents in any 12 consecutive months exceeding:

(a) (40) 25 percent of his household income up to (\$15,000) \$20,000, plus (50) 40 percent of his household income between (\$15,000) \$20,000 and (\$25,000) \$30,000, plus (60) 50 percent of his household income in excess of (\$25,000) \$30,000; or

(b) (\$2,500) \$3,000, whichever is greater; or

(2) qualified nursing home expenses for himself and any dependents in any 12 consecutive months exceeding 20 percent of his household income.

Sec. 14. Minnesota Statutes 1984, section 62E.52, subdivision 3, is amended to read:

Subd. 3. "Qualified expense" means any charge incurred subsequent to July 1, (1977) 1986, and within 18 months prior to application for coverage under sections 62E.51 to 62E.55 for a health service which is included in the list of covered services described in section 62E.06, subdivision 1, and for which no third party is liable. *Expenses related to organ transplants or other experimental procedures must not be considered qualified medical expenses for purposes of sections 62E.51 to 62E.55.*

Sec. 15. Minnesota Statutes 1984, section 62E.53, subdivision 1, is amended to read:

Subdivision 1. Any person who believes that he is or will become an eligible person may submit an application for state assistance to the commissioner. The application shall include a listing of expenses incurred prior to the date of the application and shall designate the date on which the 12 month period for computing expenses began. *No applicant seeking assistance under sections 62E.51 to 62E.55 may list as an expense in his or her application any income spent in order to become eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D.*

Sec. 16. Minnesota Statutes 1984, section 62E.53, subdivision 2, is amended to read:

Subd. 2. If the commissioner determines that an applicant is an eligible person, he shall pay

(1) 90 percent of all qualified expenses of the eligible person and his dependents in excess of:

(a) (40) 25 percent of his household income under (\$15,000) \$20,000, plus (50) 40 percent of his household income between (\$15,000) \$20,000 and (\$25,000) \$30,000, plus (60) 50 percent of his household income in excess of (\$25,000) \$30,000; or

(b) (\$2,500) \$3,000;

whichever is greater for the 12 month period in which the applicant becomes an eligible person and

(2) all qualified nursing home expenses of the eligible person and his dependents in excess of 20 percent of his household income. Provided, however, that the payment of qualified nursing home expenses shall not be made until the end of the fiscal year. If the appropriation for the payment of qualified nursing home expenses is inadequate to pay all qualified nursing home expenses, the commissioner shall prorate the payments among all eligible persons in proportion to their share of the total of the qualified nursing home expenses of all eligible persons.

Sec. 17. Minnesota Statutes 1984, section 62E.531, subdivision 2, is amended to read:

Subd. 2. Where a third party may be liable in whole or in part for payment for health services, the commissioner may consider the charges for the health services to be qualified expenses if the eligible person assigns any rights accruing by virtue of any third party liability to the commissioner to the extent necessary to reimburse the state for any payments made under the provisions of this section.

Eligible persons are encouraged to seek third-party coverage and to maintain this coverage. Insurance premiums may be included in the expenses used in determination of eligibility under sections 62E.51 to 62E.55.

Sec. 18. Minnesota Statutes 1985 Supplement, section 136C.06, is amended to read:

136C.06 [SOLE STATE AGENCY.]

The state board of vocational technical education is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The state board shall develop and submit the state plan for vocational technical education. The state board shall develop the state plan according to terms of agreement with the state board of education. (BEFORE DEVELOPING AND SUBMITTING THE STATE PLAN, THE STATE BOARD SHALL CONSULT WITH THE FULL PRODUCTIVITY AND OPPORTUNITY COORDINATOR. THE STATE BOARD SHALL SUBMIT THE STATE PLAN TO THE FULL PRODUCTIVITY AND OPPORTUNITY COORDINATOR FOR USE IN DEVELOPING A BIENNIAL STATEWIDE EMPLOYMENT AND TRAINING PLAN.)

Sec. 19. [144.127] [INVESTIGATION OF ACQUIRED IMMUNE DEFICIENCY SYNDROME.]

Acquired immune deficiency syndrome shall be a reportable disease pursuant to Minnesota Rules, parts 4605.7000 to 4605.-

7800. *The commissioner shall investigate the occurrence of cases, suspected cases, or carriers of acquired immune deficiency syndrome for the purpose of verification of the existence of disease, ascertaining the source of the disease causing agent, identifying unreported cases, locating contacts of cases, identifying those at risk of disease, and determining necessary control measures. Data on individuals maintained by the commissioner pursuant to an investigation or treatment of acquired immune deficiency syndrome are classified as confidential under section 13.38. Access to this data is limited exclusively to employees of the commissioner whose work assignments reasonably require access, the data subject's personal physicians, and local health officers as defined by section 145.01. Data on individuals who have been diagnosed as having acquired immune deficiency syndrome, who are suspected of having this syndrome, or who have been identified as a potential source of infection shall not be released to law enforcement officers, employers, landlords, insurers, or any other person or organization, except those persons specifically identified in this section and section 13.38. To the extent necessary to conduct epidemiologic investigations, the commissioner may release data to the subject of the data.*

Sec. 20. [144.671] [CANCER SURVEILLANCE SYSTEM; PURPOSE.]

The commissioner of health shall establish a statewide population-based cancer surveillance system. The purpose of this system is to:

- (1) Monitor incidence trends of cancer to detect potential public health problems, predict risks and assist in investigating cancer clusters;*
- (2) More accurately target intervention resources for communities and patients and their families;*
- (3) Inform health professionals and citizens about risks, early detection, and treatment; and*
- (4) Promote high quality research to provide better information for cancer control and to address public concerns and questions about cancer.*

Sec. 21. [144.672] [DUTIES OF COMMISSIONER; RULES.]

Subdivision 1. [RULE AUTHORITY.] The commissioner of health shall collect cancer incidence information, analyze this information and conduct special studies designed to determine the potential public health significance of an increase in cancer incidence.

The commissioner shall adopt rules to administer the system, collect information, and distribute data. The rules must include, but not be limited to, the following:

- (1) *The type of data to be reported;*
- (2) *Standards for reporting specific types of data;*
- (3) *Rates of payment allowed to hospitals, pathologists, and registry systems to defray their costs in providing information to the system; and*
- (4) *Criteria related to providing access to the data and fee schedules for charges to researchers and other citizens who request data.*

Subd. 2. [BIENNIAL REPORT REQUIRED.] The commissioner of health shall prepare and transmit to the governor and to members of the legislature a biennial report on the incidence of cancer in Minnesota and a compilation of summaries and reports from special studies and investigations performed to determine the potential public health significance of an increase in cancer incidence, together with any findings and recommendations. The first report shall be delivered by February 1987, with subsequent reports due in February of each of the following odd-numbered years.

Sec. 22. Minnesota Statutes 1984, section 144.68, is amended to read:

144.68 [RECORDS AND REPORTS REQUIRED.]

Subdivision 1. [PERSON PRACTICING HEALING ARTS.] Every person licensed to practice the healing arts in any form, upon request of the (STATE) commissioner of health, shall prepare and forward to the commissioner, in the manner and at such times as he designates, a detailed record of each case of malignant disease treated or seen by him professionally.

Subd. 2. [HOSPITALS AND SIMILAR INSTITUTIONS.] Every hospital, (SANATORIUM,) nursing home, or other institution for the hospitalization, *diagnosis*, or care of human beings, upon request of the (STATE) commissioner of health, shall prepare and forward to the commissioner, in the manner and at the times that he designates, a detailed record of each case of malignant disease (HAVING BEEN THEREIN).

Subd. 3. [(INFORMATION) REPORTING WITHOUT LIABILITY.] The furnishing of the information required under subdivisions 1 and 2 shall not subject the person, hospital, (SANATORIUM,) nursing home, or other place furnishing the information, to any action for damages or other relief.

Sec. 23. Minnesota Statutes 1984, section 144.69, is amended to read:

144.69 [(INFORMATION NOT AVAILABLE TO THE PUBLIC) *CLASSIFICATION OF DATA ON INDIVIDUALS.*]

(NO SUCH REPORT, OR PART THEREOF, NOR ANY COPY OF THE SAME OR PART THEREOF, SHALL BE OPEN TO THE PUBLIC, NOR SHALL ANY OF THE CONTENTS THEREOF BE DISCLOSED, IN ANY MANNER, BY ANY OFFICIAL OR CLERK OR OTHER EMPLOYEE OR PERSON HAVING ACCESS THERETO, BUT ALL SUCH INFORMATION) *Data collected by the cancer surveillance system shall be confidential and may only be used for the purposes set forth in sections (144.66 TO) 19 and 20 and 144.68 and 144.69. And any (SUCH) disclosure other than is provided for in sections (144.66 TO) 19 and 20 and 144.68 and 144.69, is (HEREBY) declared to be a misdemeanor and punishable as such. (NO) As part of an epidemiologic investigation an officer or employee of the (BOARD SHALL) commissioner of health may interview (ANY PATIENT) patients named in any such report, (NOR A RELATIVE) or relatives of any such patient, (UNLESS) only after the consent of the attending physician (AND) or surgeon is (FIRST) obtained. To the extent necessary to conduct epidemiologic studies, the commissioner may release data to the subject of the data.*

Sec. 24. Minnesota Statutes 1985 Supplement, section 144.8093, is amended by adding a subdivision to read:

Subd. 5. [ADVISORY GROUP.] The commissioner of health shall establish an advisory group with two representatives appointed from each of the eight regional emergency medical services systems. This group shall advise the commissioner on matters relating to the use and distribution of the emergency medical services system fund. In addition the advisory group shall advise the commissioner regarding the systematic, cost-effective delivery of emergency medical care throughout the state; provision of public education about emergency medical care; promotion of the exchange of information about emergency medical care; coordination of the regional emergency medical services systems; and training standards to ensure consistent quality of emergency medical services throughout the state. The group shall meet quarterly and expenses may be paid from the emergency medical services system fund or from the regional medical services system.

Sec. 25. Minnesota Statutes 1985 Supplement, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as are vested by law in the department.

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, regulations, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed two years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families

with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$400,000. When the balance in the account exceeds \$400,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) Screen individuals for eligibility for social security disability benefits and assist them in applying to the social security administration for disability benefits. The goal of this screening is to maximize the amount of money coming into the state. Screening shall begin with nursing home residents under the age of 65, long-term recipients of workers' compensation, mentally retarded people with parents aged 62 or over, recipients of general assistance who have mental or physical disabilities, and other target populations likely to contain significant numbers of people eligible for social security.

Sec. 26. Minnesota Statutes 1985 Supplement, section 256.01, subdivision 4, is amended to read:

Subd. 4. [DUTIES AS STATE AGENCY.] The state agency shall:

(1) supervise the administration of assistance to dependent children under Laws 1937, chapter 438, by the county agencies in an integrated program with other service for dependent children maintained under the direction of the state agency;

(2) may subpoena witnesses and administer oaths, make rules and regulations, and take such action as may be necessary, or desirable for carrying out the provisions of Laws 1937, chapter 438. All rules and regulations made by the state agency shall be binding on the counties and shall be complied with by the respective county agencies;

(3) establish adequate standards for personnel employed by the counties and the state agency in the administration of Laws 1937, chapter 438, and make the necessary rules and regulations to maintain such standards;

(4) prescribe the form of and print and supply to the county agencies blanks for applications, reports, affidavits, and such other forms as it may deem necessary and advisable;

(5) cooperate with the federal government and its public welfare agencies in any reasonable manner as may be necessary to qualify for federal aid for aid to dependent children and in conformity with the provisions of Laws 1937, chapter 438, including the making of such reports and such forms and containing such information as the Federal Social Security Board may from time to time require, and comply with such provisions as such board may from time to time find necessary to assure the correctness and verification of such reports; and

(6) may cooperate with other state agencies in establishing reciprocal agreements in instances where a child receiving aid to dependent children moves or contemplates moving into or out of the state, in order that such child may continue to receive supervised aid from the state from which he has moved until he shall have resided for one year in the state to which he has moved; and

(7) on or before October 1 in each even-numbered year make a biennial report to the governor concerning the activities of the agency; *and*

(8) (PREPARE A PLAN AND SUBMIT IT TO THE FULL PRODUCTIVITY AND OPPORTUNITY COORDINATOR IN EACH EVEN-NUMBERED YEAR, ACCORDING TO STANDARDS ESTABLISHED BY THE COORDINATOR, FOR USE IN DEVELOPING A BIENNIAL STATEWIDE EMPLOYMENT AND TRAINING PLAN; AND)

((9)) enter into agreements with other departments of the state as necessary to meet all requirements of the federal government.

Sec. 27. [256.014] [STATE AND COUNTY SYSTEMS.]

Subdivision 1. [ESTABLISHMENT OF SYSTEMS.] The department of human services may establish administrative and computer systems necessary for the efficient operation of the programs it supervises. These include, but are not limited to the:

- (a) management and administration of the food stamp and assistance payments program;*
- (b) management and collections of child support payments;*
- (c) administration of medical assistance and general assistance medical care; and*
- (d) accounting and financial management for welfare.*

Subd. 2. [DISTRIBUTION OF COSTS.] The department shall distribute the nonfederal share of cost for developing, operating, and maintaining the systems among the participating local social service agencies in an equitable manner.

Subd. 3. [STATE SYSTEMS REVOLVING ACCOUNT CREATED.] There is created a state systems revolving account to carry out the duties prescribed in subdivision 1. All money in the state systems revolving account and all federal matching money is annually reappropriated to the commissioner of human services for the purposes of this section.

Subd. 4. [FUNDS TO BE KEPT IN STATE TREASURY.] The account created in subdivision 3 shall be kept in the state treasury and paid out in the manner prescribed by law for the money in the account.

Subd. 5. [DEPOSIT OF RECEIPTS.] All money collected by the department of human services pursuant to and in connection with the programs in subdivision 1 shall be deposited in the account. All money received by the department of human services in connection with AFDC child support collections in excess of \$10,216,000 for the fiscal year ending June 30, 1986, and in excess of \$11,237,000 for the fiscal year ending June 30, 1987, and all money received by the department of human services related to state hospital collections in excess of \$143,307,400 for the fiscal year ending June 30, 1986, and in excess of \$143,443,400 for the fiscal year ending June 30, 1987, shall be deposited in the state systems account created in subdivision 3.

Sec. 28. Minnesota Statutes 1985 Supplement, 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) *not exceed 70 percent of the standard of need as determined by the commissioner.* 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 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 income, after application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the first month of eligibility. 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. In making its determination the county agency shall disregard the following from family income:

(1) all of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) all educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;

(3) the first \$75 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) an amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed

throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded;

(5) thirty dollars plus one-third of the remainder of each individual's earned income not already disregarded 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 his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) refused without good cause to accept an offer of suitable employment; or

(c) left employment or reduced his earnings without good cause and applied for assistance so that he might later 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 the remainder of earned income described in clause (5) 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 clause (5) (a) to (5) (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 clause (d), 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;

(6) the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit; and

(7) insurance settlements to pay medical bills, to compensate a member of an assistance unit for partial or permanent loss of function or a body part, or to repair or replace insured property.

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 shall be paid to the assistance unit within 15 days *after the month* of the collection of such periodic support payments and shall be disregarded in determining the amount of assistance.

Sec. 29. [256.9671] [MEDICAL CARE PAYMENTS; LIMITATION ON FEES.]

All payments for vendors of medical care under general assistance medical care shall be based upon this standard: the 50th percentile of usual and customary fees based upon medical assistance billings during calendar year 1982. All payments for vendors of medical care under medical assistance shall be limited to the 50th percentile of usual and customary fees based upon billings during calendar year 1982 for physician services, dental care, vision care, podiatric services, chiropractic care, physical therapy, occupational therapy, speech pathologists, audiologists, mental health centers, psychologists, public health clinics, and independent laboratory and X-ray services.

Sec. 30. Minnesota Statutes 1984, section 256B.042, subdivision 2, is amended to read:

Subd. 2. The state agency may perfect and enforce its lien by following the procedures set forth in sections 514.69, 514.70 and 514.71, (EXCEPT THAT IT SHALL HAVE ONE YEAR FROM THE DATE WHEN THE LAST ITEM OF MEDICAL CARE WAS FURNISHED IN WHICH TO FILE) *and its verified lien statement (, AND THE STATEMENT)* shall be filed with the appropriate clerk of court in the county of financial responsibility. The verified lien statement shall contain the following: the name and address of the person to whom medical care was furnished, the date of injury, the name and address of the vendor or vendors furnishing medical care, the dates of the service, the amount claimed to be due for the care, and, to the best of the state agency's knowledge, the names and addresses of all persons, firms or corporations claimed to be liable for damages arising from the injuries. This section shall not affect the priority of any

attorney's lien. *The state agency shall not be subject to any limitation periods referred to in section 514.69 or 514.71 and shall have one year from the date notice is received pursuant to subdivision 4 to file its verified lien statement. The state agency may commence its action within six years of filing the lien.*

Sec. 31. Minnesota Statutes 1984, section 256B.042, subdivision 3, is amended to read:

Subd. 3. *To recover under this section the attorney general, or the appropriate county attorney acting at the direction of the attorney general, shall represent the state agency and may initiate and prosecute any action against a person, firm, or corporation who may be liable to the person to whom the care was furnished.*

Sec. 32. Minnesota Statutes 1984, section 256B.042, is amended by adding a subdivision to read:

Subd. 4. *The state agency shall be given notice of monetary claims against a person, firm, or corporation who may be liable to pay part or all of the cost of medical care when the state agency has paid for or become liable for the cost of that care. Notice shall be given as follows:*

(a) *Applicants for medical assistance shall notify the agency of any possible claims upon submitting the application. Recipients of medical assistance shall notify the agency of any possible claims when those claims arise.*

(b) *A person providing medical care services to a person receiving medical assistance shall notify the agency whenever the person has reason to believe that a third party may be liable for payment of the cost of medical care.*

(c) *An attorney representing an applicant or recipient of medical assistance regarding a claim on which the state agency has a lien shall notify the agency of the claim prior to filing the claim, commencing an action, or negotiating a settlement offer.*

Notice given to the local agency is not sufficient to meet the requirements of paragraph (b) or (c).

Sec. 33. Minnesota Statutes 1984, section 256B.042, is amended by adding a subdivision to read:

Subd. 5. *Upon any judgment, award, or settlement of an action upon which the state agency has filed its lien, the lien shall be satisfied in full, subject only to a pro rata share of the recipient's attorney's fees and costs incurred in the pursuit of the action. However, any recipient who initiates an action to*

recover damages or compensation shall receive a net amount of no less than one-third of the total amount recovered.

Sec. 34. Minnesota Statutes 1985 Supplement, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) who is 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 under Minnesota Statutes, section 259.40 or 259.431; or

(2) who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

(3) who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program; or

(4) who is a pregnant woman, as certified in writing by a physician or nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or

(5) who is a pregnant woman, as certified in writing by a physician or nurse midwife, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under clause (9) if born and living with the woman; or

(6) who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or

(7) who, except for the amount of income or resources, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section; or

(8) who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(9) who is an infant less than one year of age born on or after October 1, 1984, whose mother was eligible at the time of birth and who remains in the mother's household. Eligibility

under this clause is concurrent with the mother's and does not depend on the father's income except as the income affects the mother's eligibility; or

(10) who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(11) who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(12) who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as his primary place of residence, together with the contiguous land upon which it is situated. 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 the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless the commissioner determines that sale of the real estate would cause undue hardship or unless the equity in the real estate when combined with the equity in the homestead totals \$15,000 or less; and

(13) who individually does not own more than \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.-013, subdivision 1e; (AND)

(14) who has or anticipates receiving an annual income not in excess of the income standards by family size used in the aid to families with dependent children program, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the

annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income (DUE SOLELY TO INCREASES IN FEDERAL RETIREE, SURVIVOR'S, AND DISABILITY INSURANCE BENEFITS, VETERANS ADMINISTRATION BENEFITS, AND RAILROAD RETIREMENT BENEFITS IN THE PERCENTAGE AMOUNT ESTABLISHED IN THE BIENNIAL APPROPRIATIONS LAW UNLESS PROHIBITED BY FEDERAL LAW OR REGULATION. IF PROHIBITED, THE COMMISSIONER SHALL FIRST SEEK A WAIVER) *required by section 503 of Public Law 94-566*. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; (AND)

(15) who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of human services, is to be applied to the cost of institutional care. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

(16) who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency (MAY) *shall* require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 35. Minnesota Statutes 1984, section 256B.37, is amended by adding a subdivision to read:

Subd. 3. [COORDINATION OF HMO BENEFITS.] When a parent or a person with an obligation of child support has enrolled in a prepaid health care plan under the provisions of Minnesota Statutes, section 518.551, subdivision 8, then the commissioner of human services shall limit the recipient to the prepaid health plan chosen by parent or person with an obligation of child support to the extent that services available under medical

assistance are also available under the prepaid health care plan. This limitation shall not apply when primary care physicians participating in the health care plan, including but not limited to physicians specializing in family medicine, adult medicine, or general practice medicine, are not located within 15 miles of the recipient's place of residence.

Sec. 36. Minnesota Statutes 1985 Supplement, section 256B.-48, subdivision 6, is amended to read:

Subd. 6. [MEDICARE CERTIFICATION.] All nursing homes certified as skilled nursing facilities under the medical assistance program shall participate in medicare part A and part B unless, after submitting an application, medicare certification is denied by the federal health care financing administration. Medicare review shall be conducted at the time of the annual medical assistance review. Charges for medicare-covered services provided to residents who are simultaneously eligible for medical assistance and medicare must be billed to medicare part A or part B before billing medical assistance. Medical assistance may be billed only for charges not reimbursed by medicare.

Until September 30, 1987, the commissioner of health may grant exceptions from this requirement when a nursing home submits a written request for exception and it is determined that there is sufficient participation in the medicare program to meet the needs of medicare beneficiaries in that region of the state *or specific locale*. For the purposes of this section, the relevant region is the county in which the nursing home is located together with contiguous Minnesota counties. There is sufficient participation in the medicare program in a particular region when the proportion of skilled resident days paid by the medicare program is at least equal to the national average based on the most recent figure that can be supplied by the federal health care financing administration. *There is sufficient participation in the medicare program in a specific locale when a nursing home can provide evidence that a convalescent and nursing care facility within one mile of the nursing home has an excess capacity of more than 10,000 unused certified medicare facility days for two years immediately prior to the written request for exception by the nursing home.* A nursing home that is granted an exception under this subdivision must give appropriate notice to all applicants for admission that medicare coverage is not available in the nursing home and publish this fact in all literature and advertisement related to the nursing home.

Sec. 37. Minnesota Statutes 1985 Supplement, section 256C.-26, is amended to read:

256C.26 [EMPLOYMENT SERVICES.]

The commissioner of jobs and training shall (INCLUDE IN THE BIENNIAL) *develop and implement a plan* (SUBMITTED

TO THE FULL PRODUCTIVITY AND OPPORTUNITY COORDINATOR A METHOD) to deal with the underemployment of hearing impaired persons. The plan shall provide for training regarding the nature of hearing handicaps for department staff who consult with prospective employers or who provide job placement services.

Sec. 38. Minnesota Statutes 1985 Supplement, section 256D.-03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and X-ray services, physician's services, medical transportation, chiropractic services as covered under the medical assistance program, podiatric services, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) 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 section 256B.02, subdivision 8. The rates payable under this section must be calculated according to section 256.966, subdivision 2.

(c) 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) 28 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) 28 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.

(d) Any county may, from its own resources, provide medical 5 payments for which state payments are not made.

Sec. 39. Minnesota Statutes 1985 Supplement, section 256D.-05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner, *and who has lived in the state of Minnesota for 60 days immediately preceding the date of application for assistance*, shall be eligible for and entitled to general assistance if the person or family is:

(1) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(4) a person who resides in a shelter facility described in subdivision 3;

(5) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40, but only if that person is enrolled as a full-time student;

(6) a person who is unable to secure suitable employment due to inability to communicate in the English language, provided that the person is not an illegal alien, and who, if assigned to a language skills program by the local agency, is participating in that program;

(7) a person not described in clause (1) or (3) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(8) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind, and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(9) a person who is unable to obtain or retain employment because advanced age significantly affects his or her ability to seek or engage in substantial work;

(10) a person completing a secondary education program;

(11) a family with one or more minor children; provided that, if all the children are six years of age or older, all the adult members of the family register for and cooperate in the work readiness program under section 256D.051; and provided further that, if one or more of the children are under the age of six and if the family contains more than one adult member, all the adult members except one adult member register for and cooperate in the work readiness program under section 256D.051. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take his needs into account in making the grant determination. The time limits of section 256D.051, subdivisions 4 and 5, do not apply to people eligible under this clause.

(12) a person who has substantial barriers to employment, including but not limited to factors relating to work or training history, as determined by the local agency in accordance with permanent or emergency rules adopted by the commissioner after consultation with the commissioner of economic security;

(13) a person who is certified by the commissioner of economic security before August 1, 1985, as lacking work skills or training or as being unable to obtain work skills or training necessary to secure employment, as defined in a permanent or emergency rule adopted by the commissioner of economic security in consultation with the commissioner; or

(14) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be (FUNCTIONALLY ILLITERATE OR) learning disabled.

The 60-day residency requirement of paragraph (a) does not apply to a person who:

(i) was born in Minnesota;

(ii) at some time in the past resided in Minnesota for at least 365 days;

(iii) moved to Minnesota in order to join a close relative who has resided in Minnesota for at least 180 days immediately preceding the date of application. "Close relative" under this clause means parent, grandparent, brother, sister, spouse, or child; or

(iv) moved to Minnesota to accept a bona fide offer of employment and who is eligible to accept.

The 60-day residency requirement of paragraph (a) applies to a family otherwise eligible under clause (11) only if the requirement would apply to all adult members of the family.

(b) The following persons or families with income and resources that are less than the standard of assistance established by the commissioner are eligible for and entitled to a maximum of six months of general assistance during any consecutive 12-month period, after registering with and completing six months in a work readiness program under section 256D.051:

(1) a person who has borderline mental retardation; and

(2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under paragraph (a), because the mental illness interferes with the medical certification process; provided that the person cooperates with social services, treatment, or other plans developed by the local agency to address the illness.

In order to retain eligibility under this paragraph, a recipient must continue to cooperate with work and training requirements as determined by the local agency.

(c) If a person or family is eligible for emergency assistance, aid to families with dependent children, or any successor to those programs, that person or family shall not be eligible for general assistance under this subdivision.

Sec. 40. Minnesota Statutes 1985 Supplement, section 256D.-051, subdivision 4, is amended to read:

Subd. 4. [TWO-MONTH ASSISTANCE.] The local agency shall terminate a registrant after two months in the work readiness program (IF) *unless* the local agency determines that registrant is (NOT) eligible for assistance under subdivision 5. During the second month of work readiness assistance, the local agency must assess the registrant's eligibility under subdivision 5 and inform the registrant of the outcome of the assessment. *A registrant who does not cooperate with the assessment shall be found not eligible under subdivision 5.* A registrant who is not eligible under subdivision 5 is eligible for a maximum of two months of work readiness assistance in any consecutive 24-month period.

Sec. 41. Minnesota Statutes 1985 Supplement, section 256D.-051, subdivision 5, is amended to read:

Subd. 5. [SIX-MONTH ASSISTANCE.] *Except as provided in subdivision 4,* the following registrants are eligible for work readiness assistance for a maximum of six months in any consecutive 12-month period:

(1) a person who has borderline mental retardation;

(2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under section 256D.05, subdivision 1 because the mental illness interferes with the medical certification process; and

(3) a person who is certified by the commissioner of economic security as being unable to secure suitable employment because the person lives in a distressed county or who is unable to secure suitable employment because the local agency has determined that no jobs are available that a person with the registrant's work history, skills, and ability has the physical and mental ability to perform. For purposes of this paragraph, a county is distressed if it has an average unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made. The commissioner shall designate a contiguous portion of a county containing a city of the first class located outside of the metropolitan area as a distressed county if:

(a) that portion of the county has an unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made; and

(b) that portion of the county has a population of at least 50,000 as determined by the 1980 federal census.

Sec. 42. Minnesota Statutes 1985 Supplement, section 256D.-051, subdivision 6, is amended to read:

Subd. 6. [(LOCAL AGENCY OPTIONS) ALLOCATION OF FUNDS FOR PAYMENT OF ADMINISTRATIVE COSTS AND REGISTRANT EXPENSES.] (THE LOCAL AGENCY MAY, AT ITS OPTION, PROVIDE UP TO \$100 PER REGISTRANT FOR DIRECT EXPENSES INCURRED BY THE REGISTRANT FOR TRANSPORTATION, CLOTHES, AND TOOLS NECESSARY FOR EMPLOYMENT. THE LOCAL AGENCY MAY PROVIDE AN ADDITIONAL \$100 FOR DIRECT EXPENSES OF REGISTRANTS REMAINING IN THE WORK READINESS PROGRAM FOR MORE THAN TWO MONTHS. AFTER PAYING DIRECT EXPENSES AS NEEDED BY INDIVIDUAL REGISTRANTS, THE LOCAL AGENCY MAY USE ANY REMAINING MONEY TO PROVIDE ADDITIONAL SERVICES AS NEEDED BY ANY REGISTRANT INCLUDING EDUCATION, ORIENTATION, PLACEMENT, OTHER WORK EXPERIENCE, ON-THE-JOB TRAINING, AND OTHER APPROPRIATE ACTIVITIES.) *Subject to the amount appropriated by the legislature, funds must be allocated annually among the local agencies for payment of administrative costs incurred by the provider of work readiness services and for payment of direct expenses incurred by work readiness regis-*

trants as follows: each local agency shall be eligible to receive that proportion of the funds available which equals the monthly average number of work readiness registrants in the county divided by the monthly average number of work readiness participants in the state for the applicable period. The applicable period for fiscal year 1987 shall be the seven-month period beginning September 1, 1985, and ending March 31, 1986, and for each fiscal year thereafter, the twelve-month period ending March 31. For purposes of this subdivision and section 43, the term registrants includes registrants receiving work readiness payments and services, and general assistance recipients who volunteer or are required to participate in the work readiness program.

Sec. 43. Minnesota Statutes 1985 Supplement, section 256D.-051, is amended by adding a subdivision to read:

Subd. 6a. [USE OF FUNDS.] The local agency shall use its allocation to pay direct registrant expenses and administrative costs of providing work readiness services. No more than 25 percent of the allocation may be used for administrative costs, except that funds remaining after payment of direct registrant expenses may be used for additional administrative costs. Funds may be used for the following direct registrant expenses: transportation, clothes, tools, and other necessary work-related expenses. Funds may be used for the following administrative costs: providing employability assessments and development plans, providing employment search assistance, education, orientation, placement, on-the-job training, and other appropriate activities.

Sec. 44. Minnesota Statutes 1985 Supplement, section 256D.-101, subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFICATION.] If the local agency determines that a registrant has failed to comply with the requirements of section 256D.051, the local agency shall notify the registrant of the determination. The notification shall be in writing; shall state the facts that support the local agency's determination; shall specify the particular actions that must be taken by the registrant to achieve compliance; shall state that the recipient must take the specified actions by a date certain, which must be at least (15) *ten* days following the date the notification is mailed or delivered to the registrant; shall explain the ramifications of the registrant's failure to take the required actions by the specified date; and shall advise the registrant that the registrant may request and have a conference with the local agency to discuss the notification.

Sec. 45. Minnesota Statutes 1985 Supplement, section 256D.-101, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF GRANT REDUCTION, SUSPENSION, OR TERMINATION.] (NO) *The notice of grant reduc-*

tion, suspension, or termination on the ground that a registrant has failed to comply with section 256D.051 shall be (GIVEN) *mailed or hand delivered* by the local agency (UNTIL THE NOTIFICATION REQUIRED BY SUBDIVISION 1 HAS BEEN GIVEN, THE TIME FOR COMPLIANCE STATED IN THE NOTIFICATION HAS LAPSED, AND THE LOCAL AGENCY HAS, SUBSEQUENT) *concurrently with the notification required by subdivision 1. Prior to giving the (NOTIFICATION ASSESSED) notifications, the local agency must assess the registrant's eligibility for general assistance under section 256D.05 to the extent possible using information contained in the case file, and (DETERMINED) determine that the registrant is not eligible under that section. The determination that the registrant is not eligible shall be stated in the notice of grant reduction, suspension, or termination.*

Sec. 46. Minnesota Statutes 1985 Supplement, section 256D.-101, is amended by adding a subdivision to read:

Subd. 3. [BENEFITS AFTER NOTIFICATION.] Assistance payments otherwise due to the registrant under section 256D.051 shall not be issued after the notification required in subdivision 1 has been provided to the registrant unless, before the date stated in the notification, the registrant takes the specified action necessary to achieve compliance. If, by the required date, the registrant does take the specified action necessary to achieve compliance, both the notification required by subdivision 1 and the notice required by subdivision 2 shall be cancelled and all benefits due to the registrant shall be paid promptly.

Sec. 47. Minnesota Statutes 1985 Supplement, section 256D.-37, subdivision 1, is amended to read:

Subdivision 1. (a) For all individuals who apply to the appropriate local agency for supplemental aid, the local agency shall determine whether the individual meets the eligibility criteria prescribed in subdivision 2. For each individual who meets the relevant eligibility criteria prescribed in subdivision 2, the local agency shall certify to the commissioner the amount of supplemental aid to which the individual is entitled in accordance with all of the standards in effect December 31, 1973, for the appropriate categorical aid program.

(b) When a recipient is a resident of a state hospital or a dwelling with a negotiated rate, the recipient is not eligible for a shelter standard, a basic needs standard, or for special needs payments. The state standard of assistance for those recipients is the clothing and personal needs allowance for medical assistance recipients under section 256B.35. Minnesota supplemental aid may be paid to negotiated rate facilities at the rates in effect on March 1, 1985, for services provided under the supplemental aid program to residents of the facility, up to the maxi-

imum negotiated rate specified in this section. The rate for room and board or a licensed facility must not exceed \$800. The maximum negotiated rate does not apply to a facility that, on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690. The following facilities are exempt from the limit on negotiated rates and must be reimbursed for documented actual costs, until June 30, 1987:

(1) a facility that only provides services to persons with mental retardation; and

(2) a facility not certified to participate in the medical assistance program that is licensed as a boarding care facility as of March 1, 1985, and only provides care to persons aged 65 or older. Beginning July 1, 1987, these facilities are subject to applicable supplemental aid limits, and mental retardation facilities must meet all applicable licensing and reimbursement requirements for programs for persons with mental retardation. The negotiated rates may be paid for persons who are placed by the local agency or who elect to reside in a room and board facility or a licensed facility for the purpose of receiving physical, mental health, or rehabilitative care, provided the local agency agrees that this care is needed by the person. When Minnesota supplemental aid is used to pay a negotiated rate, the rate payable to the facility must not exceed the rate paid by an individual not receiving Minnesota supplemental aid. To receive payment for a negotiated rate, the dwelling must comply with applicable laws and rules establishing standards necessary for health, safety, and licensure. The negotiated rate (MUST BE ADJUSTED BY) *may provide for an increase of no more than the annual percentage (CHANGE) increase in the urban consumer price index (CPI-U) for Minneapolis-St. Paul as published by the Bureau of Labor Statistics between the previous two Octobers, new series index (1967-100). If there is an annual percentage decrease in the index, the rate may not be increased that year.* In computing the amount of supplemental aid under this section, the local agency shall deduct from the gross amount of the individual's determined needs all income, subject to the criteria for income disregards in effect December 31, 1973, for the appropriate categorical aid program, except that the earned income disregard for disabled persons who are not residents of long-term care facilities shall be the same as the earned income disregard available to disabled persons in the supplemental security income program and all actual work expenses shall be deducted when determining the amount of income for the individual. From and after the first of the month in which an effective application is filed, the state and the county shall share responsibility for the payment of the supplemental aid to which the individual is entitled under this section as provided in section 256D.36.

Sec. 48. Minnesota Statutes 1985 Supplement, section 268.-0122, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] The commissioner of jobs and training shall:

(1) administer and supervise all forms of unemployment insurance provided for under federal and state laws that are vested in the commissioner;

(2) administer and supervise all employment and training services assigned to the department of jobs and training under federal or state law;

(3) (REVIEW AND COMMENT ON) *approve or disapprove* local service unit plans and community investment program plans (AND, WITH THE CONCURRENCE OF THE COORDINATOR, APPROVE OR DISAPPROVE THE PLANS);

(4) establish and maintain administrative units necessary to perform administrative functions common to all divisions of the department;

(5) supervise the county boards of commissioners, local service units, and any other units of government designated in federal or state law as responsible for employment and training programs;

(6) establish administrative standards and payment conditions for providers of employment and training services;

(7) act as the agent of, and cooperate with, the federal government in matters of mutual concern, including the administration of any federal funds granted to the state to aid in the performance of functions of the commissioner; and

(8) obtain reports from local service units and service providers for the purpose of evaluating the performance of employment and training services.

Sec. 49. Minnesota Statutes 1985 Supplement, section 268.-0122, subdivision 3, is amended to read:

Subd. 3. [DUTIES AS A STATE AGENCY.] The commissioner shall:

(1) administer the unemployment insurance laws and related programs;

(2) administer the aspects of aid to families with dependent children, general assistance, work readiness, and food stamps

that relate to employment and training services, subject to the limitations of federal regulations;

(3) administer wage subsidies (AND RECOMMEND TO THE COORDINATOR THE USE OF THE DISCRETIONARY PORTION OF WAGE SUBSIDY APPROPRIATIONS);

(4) administer a national system of public employment offices as prescribed by United States Code, title 29, chapter 4B, the Wagner-Peyser Act, and other federal employment and training programs;

(5) cooperate with the federal government and its employment and training agencies in any reasonable manner as necessary to qualify for federal aid for employment and training services and money;

(6) enter into agreements with other departments of the state and local units of government as necessary;

(7) certify (COMPETENT SERVICE PROVIDERS) and (, WITH THE CONCURRENCE OF THE COORDINATOR,) de-certify service providers (THAT FAIL TO COMPLY WITH PERFORMANCE CRITERIA ACCORDING TO STANDARDS ESTABLISHED BY THE COORDINATOR);

(8) provide consistent, integrated employment and training services across the state;

(9) establish the standards for all employment and training services administered under this chapter;

(10) develop standards for the contents and structure of the county plans;

(11) provide current state and substate labor market information and forecasts, in cooperation with other agencies;

(12) (PREPARE A PLAN AND SUBMIT IT TO THE COORDINATOR IN EACH EVEN-NUMBERED YEAR, ACCORDING TO STANDARDS ESTABLISHED BY THE COORDINATOR, FOR USE IN DEVELOPING A STATEWIDE EMPLOYMENT AND TRAINING PLAN;)

((13)) identify underserved populations, unmet service needs, and funding requirements;

((14)) (13) consult with the council for the blind on matters pertaining to programs and services for the blind and visually impaired; and

((15)) (14) submit to the governor, (THE COORDINATOR,) the commissioners of human services and finance, and the chairs of the senate finance and house appropriations committees a semiannual report that:

(a) reports, by client classification, an unduplicated count of the kinds and number of services furnished through each program administered or supervised by the department or coordinated with it;

(b) reports on the number of job openings listed, developed, available, and obtained by clients;

(c) identifies the number of cooperative agreements in place, the number of individuals being served, and the kinds of service provided them;

(d) evaluates the performance of services, such as wage subsidies, community investments, work readiness, and grant diversions; and

(e) explains the effects of current employment levels, unemployment rates, and program performance on the unemployment insurance fund and general assistance, work readiness, and aid to families with dependent children caseloads and program expenditures.

Sec. 50. Minnesota Statutes 1985 Supplement, section 268.0122, is amended by adding a subdivision to read:

Subd. 6. [INTAKE, REFERRAL, AND INVENTORY SYSTEM.] The commissioner shall develop and administer an intake, referral, and inventory system. The goal of the system must be to provide localized, single-point client intake with direct access to a statewide data base. The system must include information on all available public and private programs for employment and training services and income maintenance and support services. The system must be designed to match client needs with employment opportunities, appropriate services, programs, providers, funding sources and other sources of assistance, and to provide for client tracking. The system must be coordinated with other state data bases. Access to the system, within federal and state data practices requirements, must be available in each public income maintenance and employment and training office. The system is not subject to sections 16B.40 to 16B.45. In developing the system, the commissioner shall consult with local service units, service providers, employers, and clients.

Sec. 51. Minnesota Statutes 1985 Supplement, section 268.36, is amended to read:

268.36 [REPORT TO THE (COORDINATOR AND THE) LEGISLATURE.]

The commissioner, after consultation with the local service units and providers of employment and training services, shall evaluate the effectiveness of youth employment programs, taking into account the extent of all programs which are providing summer employment opportunities for youth, and shall report to the (COORDINATOR AND THE) legislature no later than January 15 of each even-numbered year with an evaluation of this and other programs and any recommendations for improvements.

Sec. 52. Minnesota Statutes 1985 Supplement, section 268.-673, subdivision 5, is amended to read:

Subd. 5. [REPORT.] Each eligible local service unit shall report to the commissioner (AND THE COORDINATOR) on a quarterly basis: (1) the number of persons employed; (2) the number and type of employers under the program; (3) the amount of money spent in each eligible local service unit for wages for each type of employment and each type of other expense; (4) the number of persons who have completed participation in the program and their current employment, educational, or training status; and (5) any other information requested by the commissioner or the coordinator. Each report must include cumulative information, as well as information for each quarter.

Sec. 53. Minnesota Statutes 1985 Supplement, section 268.-6751, subdivision 1, is amended to read:

Subdivision 1. [WAGE SUBSIDIES.] Wage subsidy money must be allocated to eligible local service units in the following manner:

(a) The commissioner shall allocate 70 percent of the funds available for allocation to eligible local service units for wage subsidy programs as follows: the proportion of the wage subsidy money available to each eligible local service unit must be based on the number of unemployed persons in the eligible local service unit for the most recent six-month period and the number of work readiness assistance cases and aid to families with dependent children cases in the eligible local service unit for the most recent six-month period.

(b) Thirty percent of the money available for wage subsidy programs must be allocated at the direction and discretion of the (COORDINATOR. THE) commissioner (SHALL DISTRIBUTE THE DISCRETIONARY PORTION OF WAGE SUBSIDY APPROPRIATIONS AT THE REQUEST OF THE COORDINATOR. FOR THE BIENNIUM ENDING JUNE 30,

1987, UP TO 25 PERCENT OF THE DISCRETIONARY PORTION OF THE WAGE SUBSIDY APPROPRIATION MAY BE USED TO SUPPORT THE OFFICE OF FULL PRODUCTIVITY AND OPPORTUNITY AND THE DEVELOPMENT OF AN INTAKE, REFERRAL, AND INVENTORY SYSTEM). In allocating the (REMAINING) discretionary portion of the wage subsidy appropriation, the (COORDINATOR) *commissioner* shall give priority to eligible local service units that have:

- (1) high numbers of farmers who can demonstrate severe household financial need;
- (2) demonstrated success in placing public assistance applicants in private sector jobs;
- (3) demonstrated need beyond the allocation distributed under paragraph (a);
- (4) maximized use of money through coordination with other programs and state, local, and federal agencies, and through the use of matching money from private and nonprofit sources;
- (5) demonstrated need to provide special assistance in order to serve unemployed persons who incur unusual costs such as necessary relocation expenses; or
- (6) areas with high unemployment rates.

Sec. 54. Minnesota Statutes 1985 Supplement, section 268.-6751, subdivision 2, is amended to read:

Subd. 2. [EMERGENCY WAGE SUBSIDIES.] (a) The (COORDINATOR) *commissioner* shall monitor local and statewide unemployment rates. Upon determining that an economic emergency exists in one or more local service units, the (COORDINATOR) *commissioner* may implement an emergency wage subsidy program and recommend to the governor to pursue ways to increase the wage subsidy money available to local service units in the affected area or areas from sources other than the appropriation allocated under subdivision 1.

(b) When the unemployment rate for the state of Minnesota equals or exceeds nine percent, the (COORDINATOR) *commissioner* shall implement a statewide emergency wage subsidy program and shall recommend to the governor to pursue ways to increase money available for wage subsidies.

Sec. 55. Minnesota Statutes 1985 Supplement, section 268.-871, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY AND CERTIFICATION.] Unless prohibited by federal or state law (OR OTHERWISE DETERMINED BY STATE LAW OR THE COORDINATOR), a local service unit is responsible for the delivery of employment and training services. After February 1, 1986, employment and training services must be delivered by public, nonprofit, or private service providers that are certified to provide the services.

Sec. 56. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall change references to "office of full productivity and opportunity" and "coordinator of full productivity and opportunity" wherever they appear in Minnesota Statutes to "department of jobs and training" and "commissioner of jobs and training" in subsequent editions of Minnesota Statutes.

Sec. 57. [TRANSFER.]

The commissioner of finance shall transfer, according to section 15.039, positions and appropriations for the intake, referral, and inventory system from the office of full productivity and opportunity to the department of jobs and training.

Sec. 58. [MEDICAL ASSISTANCE STUDY; REPORT.]

The legislature recognizes that married couples face complicated financial decisions when one spouse must enter a nursing home and that requirements of the medical assistance program may leave the noninstitutionalized spouse insecure about the future.

The commissioner of human services shall study the impact of medical assistance requirements on the financial stability and future security of the noninstitutionalized spouse, with particular attention to resource limits and contribution to the institutionalized spouse at the time of entry to the nursing home and throughout the ensuing months. The commissioner shall recommend to the legislature changes in the medical assistance program which will ensure maximum financial protection of the noninstitutionalized spouse. The commissioner shall report findings and recommendations to the legislature no later than October 1, 1986.

Sec. 59. Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. Income Maintenance 559,817,500 620,280,600

Notwithstanding any other law, money appropriated for income maintenance

programs must not be transferred for other purposes except as allowed in this subdivision, subdivision 1, or section 12.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Aid to Families with Dependent Children, General Assistance, Minnesota Supplemental Assistance

\$143,329,500 \$152,961,000

If the appropriation for aid to families with dependent children, general assistance, and Minnesota supplemental assistance is insufficient for either year, the appropriation for the other year is available by direction of the governor after consulting with the legislative advisory commission.

During the biennium ending June 30, 1987, the commissioner of human services shall provide supplementary grants not to exceed \$816,800 a year for aid to families with dependent children and 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; replacement of essential household furnishings and essential major appliances; and employment-related child care, transportation, and educational expenses. Of this amount, \$616,800 is for employment-related child care, transportation, and educational expenses.

Notwithstanding any law to the contrary, when federal money is available to match state money, the commissioner of human services may of the aid to families with dependent children program any part of the appropriation for day care sliding fee services, Minnesota Statutes, section 245.84, provided to persons or families who are receiving aid to families with dependent children pay-

ments. Federal money received during the biennium for child care services under this rider is appropriated to the commissioner of human services for day care sliding fee services.

Notwithstanding Minnesota Statutes 1984, sections 256D.06, subdivision 4, and 256D.44, or any other law to the contrary, counties are directed to maintain services for adult mentally ill persons in community residential facilities at the level required by licensure standards.

\$35,000 of the first year's appropriation is for an aid to families with dependent children alternative health insurance project. An amount equal to the savings in the aid to families with dependent children program that result from the project may be transferred from the aid to families with dependent children appropriation to the assistance payments policy activity to continue the project until June 30, 1987, after approval by the chair of the senate finance subcommittee of health and human services and the chair of the house human services division of appropriations. The commissioner may use this money as a state match to obtain commitments of private money for alternative health insurance projects for the uninsured poor.

(THE COMMISSIONER SHALL INCREASE AID TO FAMILIES WITH DEPENDENT CHILDREN AND GENERAL ASSISTANCE GRANTS BY ONE PERCENT ON JULY 1, 1985, AND ONE PERCENT ON JULY 1, 1986, UNLESS FEDERAL STATUTE OR REGULATION REQUIRES OTHERWISE.)

For the biennium ending June 30, 1987, all taxes paid to the county treasurer on or after July 1, 1985, under Minnesota Statutes, sections 287.01 to 287.12, must be credited to the county revenue fund.

On or before the tenth day of each month, the county treasurer shall de-

termine the receipts from the mortgage registration tax and the deed transfer tax during the preceding month. The treasurer shall report to the county welfare agency on or before the tenth day of each month 95 percent of the receipts attributable to the statutory rate in Minnesota Statutes, section 287.05. That amount, in addition to 97 percent of the amount determined under Minnesota Statutes, section 287.29, must be shown as a deduction from the report filed with the department of human services as required by Minnesota Statutes, section 256.82.

Notwithstanding Minnesota Statutes 1984, section 14.35, or any other law to the contrary, Minnesota Rules, part 9555.3415, Emergency, is in effect until February 1, 1986, unless it is superseded by a permanent rule prior to that date and shall govern Minnesota Statutes, section 256D.05, subdivision 1, paragraph (a), clause (12).

(b) Medical Assistance, General Assistance Medical Care and Preadmission Screening

\$394,950,300 \$445,589,900

The cost of a nursing home preadmission screening may not exceed \$140.

The commissioner of human services shall not adopt emergency rules to implement the provisions of Minnesota Statutes, section 256B.02, subdivision 8, clause (11), related to the drug formulary.

Notwithstanding any law requiring deposit of receipts in the general fund, all receipts from collection efforts for the state hospitals and state nursing homes must be deposited in the medical assistance account and are appropriated for that purpose. The commissioner shall make changes in the departmental financial reporting systems and internal accounting procedures as necessary to

ensure compliance with federal standards for reimbursement for program and administrative expenditures and to fulfill the purpose of this paragraph.

If the appropriation for medical assistance and general assistance medical care is insufficient for either year, the appropriation for the other year is available by direction of the governor after consulting with the legislative advisory commission.

\$200,000 in fiscal year 1986 and (\$150,000) \$75,000 in fiscal year 1987 are appropriated for (FOUR) *two* positions to staff the prepayment initiatives under (MEDICAL ASSISTANCE AND) general assistance medical care.

Notwithstanding any law to the contrary, home and community-based alternative services for the mentally retarded provided under the federal waiver plan must be limited to 1,000 people.

(TO DETERMINE ELIGIBILITY FOR MEDICAL ASSISTANCE, THE COMMISSIONER SHALL DISREGARD, FROM JULY 1, 1985, TO JUNE 30, 1987, 20 PERCENT OF THE INCOME FROM RETIRED, SURVIVOR'S AND DISABILITY INSURANCE BENEFITS, VETERANS' ADMINISTRATION BENEFITS, AND RAILROAD RETIREMENT BENEFITS. IF THIS DISREGARD IS DISALLOWED BY THE FEDERAL GOVERNMENT, THE COMMISSIONER SHALL DISREGARD THE INCREASE FOR SOCIAL SECURITY AND SUPPLEMENTAL SECURITY INCOME RECIPIENTS, AS PROVIDED UNDER MINNESOTA STATUTES 1984, SECTION 256B.06, SUBDIVISION 1, PARAGRAPH (12).)

(FOR GENERAL ASSISTANCE MEDICAL CARE SERVICES RENDERED ON OR AFTER NOVEMBER 1, 1985, GENERAL ASSISTANCE MEDICAL CARE PAYMENTS TO MEDICAL CARE VENDORS MUST BE AT THE 50TH PERCENTILE

**OF USUAL AND CUSTOMARY FEES
BASED ON MEDICAL ASSISTANCE
BILLINGS DURING CALENDAR
YEAR 1982.)**

(FOR MEDICAL ASSISTANCE SERVICES RENDERED ON OR AFTER NOVEMBER 1, 1985, MEDICAL ASSISTANCE PAYMENTS TO MEDICAL CARE VENDORS FOR PHYSICIAN SERVICES, DENTAL CARE, VISION CARE, PODIATRIC SERVICES, CHIROPRACTIC CARE, PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH PATHOLOGISTS, AUDIOLOGISTS, MENTAL HEALTH CENTERS, PSYCHOLOGISTS, PUBLIC HEALTH CLINICS, AND INDEPENDENT LABORATORY AND X-RAY SERVICES SHALL BE LIMITED TO THE 50TH PERCENTILE OF THE USUAL AND CUSTOMARY FEES BASED UPON BILLINGS DURING CALENDAR YEAR 1982.) Rates paid to private duty nurses under the medical assistance program must be increased by 20 percent from the rates paid during fiscal year 1985.

On or after July 1, 1986, the commissioner shall phase out the rateable reductions in the general assistance medical care program to the extent possible using any net surplus projected to exist at the end of the biennium within the appropriations for medical assistance and general assistance medical care after any transfers necessary because of deficits in the aid to families with dependent children, general assistance, or Minnesota supplemental aid programs.

**(THE MAXIMUM PHARMACY
DISPENSING FEE SHALL BE \$4.30
UNDER MEDICAL ASSISTANCE
AND GENERAL ASSISTANCE MEDICAL
CARE.)**

Federal money received during the biennium for administration of the home and community-based services waiver for persons with mental retardation is appropriated to the commissioner of

human services for administration of the home and community-based services program and must be deposited in that activity's account.

The county agencies shall not authorize, nor shall the commissioner provide medical assistance funding for, services in an intermediate care facility for the mentally retarded unless an individual assessment of service needs documents that: (1) the person has mental retardation; (2) the person requires 24-hour supervision and active treatment for medical, behavioral, or habilitation needs; and (3) less restrictive or less costly services appropriate to the client's needs cannot be made available to meet the person's assessed service needs.

The commissioner may determine whether medical assistance funding should continue to be authorized for services to an individual in an intermediate care facility for the mentally retarded. The determination must be based on the review of the individual service plan and on the findings of the Minnesota department of health quality assurance and review survey and other information that the commissioner may request.

(c) Income Maintenance Support

\$21,537,700 \$21,729,700

For the child support enforcement activity, during the biennium ending June 30, 1987, money received from the counties for providing data processing services must be deposited in that activity's account. The money is appropriated to the commissioner of human services for the purposes of the child support enforcement activity.

In determining the income contribution of parents of children in out-of-home placement, the state agency shall use the standard in Minnesota Rules, parts 9515.1200 to 9515.2600 until the adoption of the rules required by Minne-

sota Statutes, section 256B.14, subdivision 2.

If the preceding rider or Laws 1983, chapter 312, article 1, section 2, subdivision 5, paragraph 13, result in an increase in a parent's responsibility for the cost of their child's out-of-home placement, the county must not require the increase in payment until 30 days after the parent is sent notice of the amount of the increase.

Sec. 60. [REPEALER.]

Minnesota Statutes 1984, sections 116L.01; 116L.02; 116L.03, as amended by Laws 1985, First Special Session chapter 14, article 9, section 5; 116L.04, as amended by Laws 1985, First Special Session chapter 14, article 9, section 6; 116L.05; 144.66; and 144.67; Minnesota Statutes 1985 Supplement, sections 86.33, subdivisions 2 and 3; 116J.035, subdivision 3; 136.63, subdivision 1b; 178.03, subdivision 5; 267.01; 267.02; 267.03; 267.04; 267.05; 267.06; 268.0111, subdivision 3; and 268.89, subdivision 2, are repealed.

Sec. 61. [EFFECTIVE DATE.]

Sections 20 to 23, 27, 35, 42, 43, and 60 are effective the day following final enactment. Section 34 is effective May 1, 1986."

Delete the title and insert:

"A bill for an act relating to government in this state; providing for its financing, structure, and components; making and reducing appropriations for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; creating, modifying, transferring, and abolishing agencies, boards, and functions; adjusting complements; creating certain funds and changing others; providing for farm relief; making cash flow changes and budget adjustments; setting and adjusting certain aid and mill rate amounts; providing for community emergency response hazardous substance protection; amending Minnesota Statutes 1984, sections 15.01; 15.057; 16A.-72; 16B.20, subdivision 1; 16B.50; 17.717, subdivision 6; 25.39, subdivision 4; 41.57, by adding a subdivision; 41A.02, subdivision 15; 41A.05, subdivision 4; 41A.06, subdivision 2; 46.041, subdivision 1; 46.131, subdivision 10; 47.54, subdivision 1; 51A.-51, subdivisions 1, 2, 3, and 3a; 52.06, subdivision 1; 53.03, subdivision 6; 56.02; 60A.03, subdivision 6; 60A.14, subdivision 1; 60A.23, subdivision 7; 62E.52, subdivisions 2 and 3; 62E.53, subdivisions 1 and 2; 62E.531, subdivision 2; 79.251, subdivision

1; 84.01, subdivision 3; 84.028, subdivision 3; 84.082; 84.086; 84.54; 85.016; 97.41, subdivision 2; 104.35, subdivisions 2 and 3; 105.40, subdivisions 1 and 2; 112.36, by adding a subdivision; 115A.15, subdivision 5; 115A.912, subdivision 2, and by adding a subdivision; 115B.20, subdivisions 5 and 6; 116.07, by adding a subdivision; 116C.24, subdivision 2a; 116C.25; 116J.01, subdivision 3; 116J.16, subdivisions 1, 2, 4, 5, 6, 7, and 8; 116J.29; 116J.36, subdivision 10; 116J.37, subdivision 6; 116J.401; 116J.-402; 116J.403; 116J.404; 116J.405; 116J.406, subdivisions 2, 3, 4, and 5; 116J.58, subdivisions 2 and 3; 116J.60; 116J.63; 116J.66; 116J.68, subdivision 2; 116J.74, subdivision 5; 116J.80, subdivision 6; 116J.873, subdivision 4; 116M.03, subdivision 2, and by adding a subdivision; 116M.05, subdivision 1; 116M.06, subdivisions 4, 7, 8, and 10; 116M.07, subdivision 12; 116M.08, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, 10, 17, 19, 20, and 21; 116M.12, subdivision 6; 121.901, subdivision 2; 124.32, subdivision 1c; 124A.02, subdivision 15; 129B.02, as amended; 129B.04, subdivisions 1a and 2; 129B.041, subdivisions 1 and 4; 129B.05, subdivision 2; 129B.43; 136.14; 136C.07, by adding a subdivision; 136C.13, by adding a subdivision; 136C.35; 138.65; 144.68; 144.69; 160.265, subdivision 1; 161.1419, subdivision 8; 168.67; 169.871, subdivision 5; 176.183, subdivisions 1 and 1a; 176.603; 176.611, subdivision 2; 197.23, subdivision 2; 197.481, by adding subdivisions; 216B.243, subdivision 6; 216B.62, subdivisions 2 and 3; 237.295, subdivisions 1 and 2; 239.10; 240.16, subdivision 5; 256B.042, subdivisions 2 and 3, and by adding subdivisions; 256B.37, by adding a subdivision; 270.067, subdivision 5; 271.01, subdivision 1, and by adding a subdivision; 273.1312, subdivision 1; 273.1314, subdivisions 1 and 16; 273.74, subdivision 5; 290.069, subdivision 1; 296.13; 299D.03, subdivision 5; 301A.07, subdivision 1; 325F.19, subdivision 3; 325F.24, subdivision 3; 326.334, subdivision 7; 349.52, subdivisions 2 and 3; 362A.06; 364.09; 462.384, subdivision 7; 462A.04, subdivisions 1 and 4; 462A.05, subdivisions 15B, 21, and 23; 465.74, subdivisions 1, 4, and 6; 471.992; 471.996; 471.997; 471.9975; 473.448; 480.242, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 15A.081, subdivision 8; 41A.03, subdivision 2; 41A.04, subdivision 4; 41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivision 5; 53.03, subdivision 1; 92.35; 92.36; 110B.02, by adding a subdivision; 110B.08, subdivision 5; 110B.10, subdivision 1; 116J.58, subdivision 4; 116J.951, subdivision 2; 116J.961, subdivisions 1 and 8; 116M.03, subdivision 17; 116M.04, subdivision 8a; 116M.06, subdivision 2; 116M.08, subdivisions 1, 14, and 15; 116M.11, subdivision 1; 116M.12, subdivisions 3 and 4; 124.225, subdivision 7b; 124.245, subdivision 1; 124A.02, subdivision 9; 124A.03, subdivision 1a; 129C.10, subdivision 5; 136C.06; 144.8093, by adding a subdivision; 173.085, subdivision 1; 256.01, subdivisions 2 and 4; 256.74, subdivision 1; 256B.06, subdivision 1; 256B.48, subdivision 6; 256C.26; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 4, 5, 6, and by adding a subdivision; 256D.101, subdivisions 1, 2, and by adding a subdivision; 256D.37, subdivision 1; 268.0122, subdivisions 2, 3, and by adding a subdivision; 268.36; 268.673, subdivision 5; 268.6751, subdivisions 1 and 2; 268.871, subdivision

1; 270A.07, subdivision 1; 273.1314, subdivision 9; 273.74, subdivision 2; 297A.257, subdivisions 1 and 3; 298.28, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 340A.904, subdivision 2; 472.03, subdivision 9, and by adding a subdivision; 472.11, subdivisions 3 and 9; and 472.13; Laws 1979, chapter 280, section 2, as amended; Laws 1985, chapter 19, section 2, subdivisions 1, 2, and by adding a subdivision; chapter 19, section 6, subdivision 6; First Special Session chapter 9, article 1, section 2, subdivision 5; First Special Session chapter 10, section 125; First Special Session chapter 11, section 4, subdivision 3; First Special Session chapter 12, article 1, section 36, subdivision 3; article 2, section 15, subdivision 2; article 3, section 28, subdivision 10; article 4, section 11, subdivision 6; article 5, section 8; article 5, section 10, subdivisions 2 and 4; article 6, section 28, subdivisions 11, 17, and 20; article 8, section 62, subdivisions 2, 3, 4, 6, 8, 9, 13, 14, 15, and 17; article 8, section 63, subdivisions 2 and 3; article 8, section 64, subdivision 2; article 9, section 3, subdivisions 2 and 3; First Special Session chapter 15, section 23, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 17; 45; 84; 115A; 116J; 116K; 129B; 135A; 144; 216A; 256; 299F; 340A; 462; and 480; repealing Minnesota Statutes 1984, sections 3.351, subdivisions 1, 2, 4, and 5; 3.865; 16B.21, subdivision 2; 17.101, subdivision 2; 17.104; 17.105; 41A.02, subdivisions 2, 3, 9, and 10; 41A.03, subdivision 2; 41A.04, subdivision 2; 41A.07; 84.081; 84.083; 86A.09, subdivisions 1, 2, 3, and 4; 86A.10; 89.014, subdivision 2; 105.40, subdivision 7; 105.71, subdivisions 1, 1a, and 3; 105.72; 105.73; 105.75; 105.76; 105.77; 105.78; 105.79; 112.36, subdivision 4; 115A.07, subdivision 1; 115A.08, subdivisions 1, 2, and 3; 115A.162; 115A.90, subdivision 4; 116J.01, subdivisions 1 and 2; 116J.03; 116J.035; 116J.04; 116J.05; 116J.06, subdivisions 4, 5, 6, 7, 8, 10, 11, 12, and 13; 116J.07; 116J.08; 116J.09; 116J.10; 116J.11; 116J.12; 116J.13; 116J.14; 116J.15; 116J.17; 116J.18; 116J.19, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, and 14; 116J.20; 116J.21; 116J.22; 116J.23; 116J.24; 116J.26; 116J.261; 116J.262; 116J.27; 116J.30, subdivision 5; 116J.31; 116J.315; 116J.32; 116J.33; 116J.34; 116J.35; 116J.36, subdivisions 1, 2, 3, 3a, 3b, 3c, 4, 4a, 5, 7, 8, 8a, 9, and 11; 116J.37, subdivisions 2, 3, 4, 5, and 7; 116J.373; 116J.38; 116J.381; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.873, subdivisions 1, 2, and 3; 116L.01; 116L.02; 116L.03; 116L.04; 116L.05; 116M.01; 116M.02; 116M.03, subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 116M.04, subdivisions 1, 1a, 2, 3, 4, 5, 7, 8, 10, and 11; 116M.05, subdivision 6; 116M.06, subdivisions 1, 6, 11, 12, and 13; 116M.07, subdivisions 1, 3, 5, 6, 7, and 10; 116M.08, subdivisions 13, 16, and 18; 116M.09; 116M.10; 116M.12, subdivisions 1, 2, and 5; 116M.13, subdivisions 1, 2, and 3; 129B.01; 129B.05, subdivision 1; 136.063; 144.66; 144.67; 144A.071, subdivision 5; 161.1419; 174.03, subdivision 7; 177.41; 177.42; 177.43; 177.44; 216B.165, subdivision 2; 270.067, subdivisions 1, 2, 3, and 4; 301A.01, subdivision 1; 402.045; 402.062, subdivision 1; 402.095; 451.09, subdivision 2; 462.375; 462.421, subdivision

21; 462.445, subdivision 8; 462.595; 462A.072; 472.03, subdivision 2; Minnesota Statutes 1985 Supplement, sections 3.303, subdivision 5; 3.351, subdivision 3; 3.875; 13.76; 41A.01; 41A.02, subdivision 7; 41A.03, subdivisions 1 and 3; 41A.04, subdivisions 1 and 3; 41A.08; 86.33, subdivisions 2 and 3; 105.74; 110B.02, subdivision 2; 116J.035, subdivision 3; 116J.19, subdivision 13; 116J.36, subdivision 6; 116J.37, subdivision 1; 116J.94; 116M.03, subdivision 27; 116M.04, subdivisions 6 and 9; 116M.05, subdivision 8; 116M.06, subdivisions 3 and 5; 116M.07, subdivisions 2, 4, 7a, 7b, 7c, 8, 9, 11, and 13; 116M.08, subdivisions 11 and 12; 116M.105; 116M.11, subdivisions 2, 3, and 4; 136.63, subdivision 1b; 178.03, subdivision 5; 267.01; 267.02; 267.03; 267.04; 267.05; 267.06; 268.0111, subdivision 3; 268.66, subdivision 2; 268.89, subdivision 2; 474.17, subdivision 3; Laws 1984, chapter 654, article 2, section 146."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1781, A bill for an act relating to real property; permitting redemption of agricultural homestead; amending Minnesota Statutes 1984, sections 581.10; and 582.04; proposing coding for new law in Minnesota Statutes, chapter 580.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 514.-954, subdivision 1, is amended to read:

Subdivision 1. [LIEN ON CROPS.] A supplier who furnishes crop production inputs has an agricultural input lien for the unpaid retail cost of the crop production inputs. The lien attaches to: (1) the existing crops upon the land where a furnished agricultural chemical was applied, or if crops are not planted, to the next production crop within 16 months following the last date on which the agricultural chemical was applied; (2) the crops produced from furnished seed; or (3) the crops produced, harvested, or processed using a furnished petroleum product. If the crops are grown on leased land and the lease provides for payment in crops, the lien does not attach to the lessor's portion of the crops. *If the crops are grown on leased land and the lease provides for payment from the cash proceeds from the sale of the crops, the lien does not attach to the crops, crop products, or proceeds to the extent necessary to satisfy the*

lien created in section 2. The lien continues in crop products and proceeds.

Sec. 2. [514.96] [AGRICULTURAL LIEN FOR CASH RENT.]

Subdivision 1. [CREATION.] If crops are grown on leased land and the lease provides for payment from the cash proceeds from the sale of the crops, the lessor has a lien on the crops, crop products, and proceeds for the lease payments.

Subd. 2. [ATTACHMENT.] The lien attaches when the lease is executed.

Subd. 3. [PRIORITY.] The lien has priority over all perfected and unperfected liens and security interests in the crops from the time the lien attaches, if within 30 days of the date of the attachment of the lien, a lien statement is filed with the appropriate filing office under the Uniform Commercial Code.

Subd. 4. [FORECLOSURE.] The lien shall be treated as a secured transaction under the Uniform Commercial Code, for purposes of foreclosure.

Sec. 3. [550.175] [EXECUTION ON REAL PROPERTY THAT INCLUDES HOMESTEAD.]

Subdivision 1. [NOTIFICATION OF HOMESTEAD DESIGNATION.] If real property is to be sold on execution and the property contains a portion of the homestead of the debtor, the debtor must be notified by the executing creditor that the homestead may be sold and redeemed separately from the remaining property. The notice in subdivision 2 must be included in the notice of execution served on the debtor under section 550.19.

Subd. 2. [HOMESTEAD DESIGNATION NOTICE.] The following notice must be included in the execution notice of real property containing a homestead that is served on a debtor under section 550.19. The notice must be in 10 point capitalized letters.

"PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE. YOU MAY DESIGNATE THE AREA OF A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND UP TO 80 ACRES OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE CREDITOR CAUSING THIS PROPERTY TO BE SOLD, THE SHERIFF, AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."

Subd. 3. [DESIGNATION OF HOMESTEAD PROPERTY.] *The debtor must designate the legal description of the homestead property to be sold separately. The homestead property designation may include up to 80 acres of the property. The designation must conform to local zoning, include the dwelling occupied by the debtor, and be compact so that it does not unreasonably affect the value of the remaining property. The debtor must serve a copy of the designation on the executing creditor, the sheriff, and the county recorder by ten business days before the sale is scheduled.*

Subd. 4. [SALE OF PROPERTY.] *If the sheriff receives a homestead property designation under subdivision 3, the sheriff must offer and sell the designated homestead property, and the remaining property, separately.*

Subd. 5. [REDEMPTION.] *The debtor may redeem the designated homestead, the remaining property, or the entire property including the homestead. The period of redemption for the designated homestead or the remaining property is the same as the period of redemption for the entire property including the designated homestead.*

Sec. 4. [582.041] [FORECLOSURE OF MORTGAGE THAT INCLUDES HOMESTEAD.]

Subdivision 1. [NOTIFICATION OF HOMESTEAD DESIGNATION.] *If a mortgage on real property is foreclosed and the property contains a portion of the homestead of the mortgagor, the mortgagor must be notified by the foreclosing mortgagee that the homestead may be sold and redeemed separately from the remaining property. The notice in subdivision 2 must be included in the notice of foreclosure served on the mortgagor under section 580.04 or for a foreclosure by action under chapter 581, in the summons and complaint.*

Subd. 2. [HOMESTEAD DESIGNATION NOTICE.] (a) *The following notice must be included in the foreclosure notice of property containing a homestead that is served on the mortgagor under section 580.04. The notice must be in 10 point capitalized letters.*

"PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE. YOU MAY DESIGNATE THE AREA OF A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND UP TO 80 ACRES OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF, AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of property containing a homestead under chapter 581. The notice must be in 10 point capitalized letters.

"PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE. YOU MAY DESIGNATE THE AREA OF A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND UP TO 80 ACRES OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE COURT WITH A LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED."

Subd. 3. [DESIGNATION OF HOMESTEAD PROPERTY.] *The mortgagor must designate a legal description of the homestead property to be sold separately. The homestead property designated may include up to 80 acres of the property. The designation must conform to local zoning, include the dwelling occupied by the mortgagor, and be compact so that it does not unreasonably affect the value of the remaining property. The mortgagor must serve a copy of the designation on the foreclosing mortgagee, the sheriff, and the county recorder by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the designation must be provided to the court.*

Subd. 4. [SALE OF PROPERTY.] *If the sheriff receives a homestead property designation under subdivision 3, or is ordered by the court, the sheriff must offer and sell the designated homestead property, and the remaining property, separately.*

Subd. 5. [REDEMPTION.] The mortgagor may redeem the designated homestead, the remaining property, or the entire property including the homestead. The period of redemption is the period for the entire property including the designated homestead.

Sec. 5. [REPEALER.]

Minnesota Statutes 1984, section 582.04, is repealed.

Sec. 6. [EFFECTIVE DATE.]

This act is effective the day after final enactment and applies to all foreclosures or executions on real property that have foreclosure notices or summons and complaint served on the mortgagor or execution notices served on the debtor on or after the effective date."

Delete the title and insert:

"A bill for an act relating to agriculture; providing a lien for cash rent on agricultural lands; establishing its priority; allowing designation, sale, and redemption of an agricultural homestead that is executed on and sold as part of other property; allowing designation, sale, and redemption of a homestead foreclosed on or part of other property; amending Minnesota Statutes 1985 Supplement, section 514.954, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 514, 550, and 582; repealing Minnesota Statutes 1984, section 582.04."

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 1835, A bill for an act relating to crimes; prohibiting the solicitation of children to engage in sexual conduct; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [609.352] [SOLICITATION OF CHILDREN TO ENGAGE IN SEXUAL CONDUCT.]

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "child" means a person under the age of 16 years;

(b) "sexual conduct" means sexual contact or sexual penetration as defined in section 609.341, or sexual performance as defined in section 617.246; and

(c) "solicit" means commanding, entreating, or attempting to persuade a specific person.

Subd. 2. [PROHIBITED ACT.] A person 18 years of age or older who, with intent to engage in sexual conduct, solicits a child to engage in sexual conduct 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.

Subd. 3. [DEFENSES.] Mistake as to age is not a defense to a prosecution under this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1986, and applies to crimes committed on or after that date."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1892, A bill for an act relating to energy; changing the administration of the state energy code from the commissioner of energy and economic development to the commissioner of administration; amending certain provisions of the state energy code; amending Minnesota Statutes 1984, sections 16B.64, subdivision 4; and 116J.19, subdivision 8.

Reported the same back with the following amendments:

Page 2, line 4, delete "cooperation" and insert "consultation"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1980, A bill for an act relating to state government; authorizing the Indian affairs council to accept grants and gifts; amending Minnesota Statutes 1984, section 3.922, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 19, after the period insert "*The council shall have power to contract in its own name. Contracts must be approved by a majority of the members of the council and executed by the chairperson and the executive director.*"

Amend the title as follows:

Page 1, line 3, after "to" insert "enter contracts and to"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1989, A bill for an act relating to agriculture; establishing a family farm advocate program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Page 2, line 26, delete "*and identity*"

Page 3, line 36, after "*involving*" delete "*a*"

Page 4, line 1, before "*lending*" insert "*the same*" and after "*office*" delete "*or institution*"

Page 5, delete section 12

Amend the title as follows:

Page 1, line 3, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2009, A bill for an act relating to economic development; defining the duties and terms of office of the members of the world trade center board; amending Minnesota Statutes

1984, sections 44A.01, subdivision 1; 44A.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 44A.

Reported the same back with the following amendments:

Page 3, after line 23, insert:

"Sec. 4. [44A.08] [SERVICE INFORMATION; CLASSIFICATION OF DATA.]

Subdivision 1. [SERVICE INFORMATION.] Information, including data bases, purchased by the board or developed by the board for sale pursuant to section 44A.07, is "nonpublic data" as defined by section 13.02, subdivision 9.

Subd. 2. [CLASSIFICATION OF DATA.] For purposes of this subdivision, "business transaction" means a transaction between parties other than the board. The following data received or developed by the board is private with respect to data on individuals and nonpublic with respect to data not on individuals:

(1) Data relating to the financial condition of individuals or businesses receiving or performing services by or on behalf of the board.

(2) The terms of business transactions facilitated by the board, at the request of either party to the transaction.

(3) At the request of the person or business seeking the information, the identities of persons or businesses requesting specific trade information from the board, and the nature of the trade information."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2011, A bill for an act relating to state government; changing the name of the title of the chief staff person of the world trade center board; modifying the qualifications for that position; amending Minnesota Statutes 1984, section 44A.02.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 2012, A bill for an act relating to crimes; increasing penalties for soliciting or inducing an individual under the age of 13 to practice prostitution; imposing criminal liability on persons who receive profit from prostitution if they have reason to believe it was derived from prostitution; imposing criminal penalties on persons who allow juvenile prostitutes to reside in their dwelling; amending Minnesota Statutes 1984, sections 609.322; 609.323; and 609.324, by adding a subdivision.

Reported the same back with the following amendments:

Page 4, after line 22, insert:

“Sec. 4. [609.3241] [PENALTY ASSESSMENT AUTHORIZED.]

In any county that has established a multidisciplinary child protection team pursuant to section 626.558, when a court sentences a person convicted of violating section 609.322, 609.323, or 609.324, while acting other than as a prostitute, the court shall impose an assessment of \$250 to be used for the purposes described in section 5. This assessment is in addition to the assessment or surcharge required by section 609.101. The court shall collect and forward the assessment to the county treasurer, with appropriate designation as to its source and permissible use.

Sec. 5. Minnesota Statutes 1984, section 626.558, is amended by adding a subdivision to read:

Subd. 2a. [JUVENILE PROSTITUTION OUTREACH PROGRAM.] As needed, a multidisciplinary child protection team shall assist the local welfare agency, local law enforcement agency, or an appropriate private organization in developing a program of outreach services for juveniles who are or appear to be engaging in prostitution. These services may include, but need not be limited to counseling, medical care, short-term shelter, alternative living arrangements, and drop-in centers. The county may finance these services by means of the penalty assessment authorized by section 4 and shall require annual reporting to the county board by the multidisciplinary child protection team on the services provided and the expenditures made under this subdivision.”

Page 4, line 24, delete “3” and insert “5”

Renumber the remaining section

Amend the title as follows:

Page 1, line 9, after the semicolon, insert: "providing for a penalty assessment; authorizing counties to develop a program of outreach services for juvenile prostitutes;"

Page 1, line 10, delete "and"

Page 1, line 11, before the period insert "; and 626.558, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 2017, A bill for an act relating to crimes; making certain videotaped statements admissible in proceedings involving physical or sexual abuse against a child; amending Minnesota Statutes 1984, section 595.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 260.156; and 595.02, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2032, A bill for an act relating to the city of Hendrum; authorizing the establishment of a detached banking facility in the city of Moorhead by a state bank located in the city of Hendrum.

Reported the same back with the following amendments:

Page 1, line 10, after "*business*" delete "*in the city of Hendrum may*" and insert "*within 30 miles of the city of Moorhead may establish and maintain not more than one detached facility in the city of Moorhead.*"

Page 1, delete lines 11 and 12

Page 1, line 13, delete "*Minnesota Statutes, section 47.52.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1781, 1835, 1892, 1980, 1989, 2009, 2011, 2012, 2017 and 2032 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1600 and 1574 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Bishop, Valan, Kalis, Vellenga and Seaberg introduced:

H. F. No. 2284, A bill for an act relating to the Minnesota historical society; defining and establishing control over 1905 Capitol furnishings; amending Minnesota Statutes 1984, sections 138.67, by adding a subdivision; and 138.68.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Waltman introduced:

H. F. No. 2285, A bill for an act relating to administrative procedure; defining order; limiting certain agency actions; requiring an order to be rendered in accordance with the contested case procedures of the administrative procedure act; providing penalties; amending Minnesota Statutes 1984, sections 14.02, by adding a subdivision; 14.57; and 609.43; proposing coding for new law in Minnesota Statutes, chapter 14.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rees introduced:

H. F. No. 2286, A bill for an act relating to liens; labor and material; providing for the inclusion of visible improvement; amending Minnesota Statutes 1984, section 514.05.

The bill was read for the first time and referred to the Committee on Judiciary.

Schreiber introduced :

H. F. No. 2287, A bill for an act relating to state and local government obligations; providing for a method of determining compliance with the volume cap limitations of proposed federal tax law.

The bill was read for the first time and referred to the Committee on Taxes.

Rest and Kahn introduced :

H. F. No. 2288, A bill for an act relating to wild animals; regulating the setting of multiple traps; directing a report to the legislature; amending Minnesota Statutes 1984, section 100.29, subdivision 32.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Krueger, McEachern, Levi, Long and Jennings, L., introduced :

H. F. No. 2289, A bill for an act relating to waters; permits to lower water levels under certain circumstances; amending Minnesota Statutes 1984, section 105.42, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Krueger and Jennings, L., introduced :

H. F. No. 2290, A bill for an act relating to waters; petitions for termination of watershed districts; amending Minnesota Statutes 1984, section 112.411, subdivision 1; repealing Minnesota Statutes 1984, section 112.411, subdivision 5.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Sparby, Bishop, Marsh, Rees and Quinn introduced :

H. F. No. 2291, A bill for an act relating to courts; providing for termination of the public defender system in a judicial district; requiring provision of counsel; proposing coding for new law in Minnesota Statutes, chapter 611.

The bill was read for the first time and referred to the Committee on Judiciary.

Jennings, L.; Zaffke; Frederickson; Becklin and Kalis introduced :

H. F. No. 2292, A bill for an act relating to counties; clarifying county commissioner conflict of interest provisions; authorizing counties to develop and market computer software products; providing a method for consolidation of the offices of county auditor and county treasurer; changing certain referendum provisions for adoption of optional forms of county government; amending Minnesota Statutes 1984, sections 375.09; 375.18, subdivision 7; 375A.11, subdivision 3; 375A.12, subdivisions 3 and 4; and 383C.17; proposing coding for new law in Minnesota Statutes, chapter 375; repealing Minnesota Statutes 1984, sections 394.01 to 394.05.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Murphy and Boo introduced :

H. F. No. 2293, A bill for an act relating to intoxicating liquor; removing the limit on the number of seasonal on-sale licenses which may be issued by St. Louis county; amending Laws 1973, chapter 663, section 1, as amended.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Jaros and Murphy introduced :

H. F. No. 2294, A bill for an act relating to labor; independent school district No. 709, Duluth; removing certain educational assistants from civil service; amending Laws 1967, chapter 252, section 2, as amended.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Boo, Munger and Murphy introduced :

H. F. No. 2295, A bill for an act relating to independent school district No. 709; providing for severance pay for employees.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rees, Tompkins, Halberg, McDonald and Carlson, D., introduced :

H. F. No. 2296, A bill for an act relating to the pollution control agency; allowing the termination of the metropolitan sludge ash siting process.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Frerichs; Boo; Carlson, D.; Elioff and Minne introduced :

H. F. No. 2297, A bill for an act relating to health; requiring transportation services involving the use of a stretcher to meet life support transportation licensing standards; amending Minnesota Statutes 1984, sections 144.801, subdivision 4; and 174.29, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Heap and Piepho introduced :

H. F. No. 2298, A bill for an act relating to education; establishing advisory committees between certain AVTIs and community colleges; specifying composition and duties; requiring a report.

The bill was read for the first time and referred to the Committee on Education.

Bishop, Levi, Halberg, Long and Vellenga introduced :

H. F. No. 2299, A bill for an act relating to discrimination; prohibiting conditioning credit on the signature of another person if the applicant is credit-worthy; amending Minnesota Statutes 1984, section 363.03, subdivision 8.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Bishop, Redalen, Jacobs, Miller and Bennett introduced :

H. F. No. 2300, A bill for an act relating to utilities ; restricting the use and connection of automatic dialing-announcing devices to telephone lines ; proposing coding for new law in Minnesota Statutes, chapter 237.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Beard and Price introduced :

H. F. No. 2301, A bill for an act relating to taxation ; sales ; exempting the sales of certain special fuels ; amending Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Segal introduced :

H. F. No. 2302, A bill for an act relating to education ; requiring the state department of education to maintain a health education specialist ; proposing coding for new law in Minnesota Statutes, chapter 126.

The bill was read for the first time and referred to the Committee on Education.

Frerichs and Sparby introduced :

H. F. No. 2303, A bill for an act relating to agriculture ; making legislative findings ; defining terms ; dedicating revenue attributable to short sales of agricultural commodities ; authorizing rules ; increasing federal adjusted gross income related to short sales of agricultural commodities ; imposing a sales tax on the short sale of an agricultural commodity contract ; providing commodity transaction violations and providing exemptions ; defining terms ; prohibiting certain commodity trading activities ; prohibiting fraudulent conduct ; prescribing liability of principals ; authorizing investigations, subpoenas, and enforcement actions ; prescribing remedies and criminal penalties ; authorizing cooperation with other agencies ; authorizing rules ; prescribing a procedure for orders and judicial review of orders ; requiring licenses for persons dealing in commodities ; prescribing license fees ;

authorizing examinations; requiring an annual report; prescribing postlicensing requirements; authorizing inspections; prescribing conditions to suspend or revoke a license; prohibiting enforcement of short sales of agricultural commodities; amending Minnesota Statutes 1984, section 297A.01, subdivisions 3 and 4; Minnesota Statutes 1985 Supplement, sections 290.01, subdivision 20a; and 297A.25, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 338.

The bill was read for the first time and referred to the Committee on Agriculture.

Johnson and Sherman introduced:

H. F. No. 2304, A bill for an act relating to small businesses; imposing a moratorium on the operation of the small business set-aside and preference programs; establishing a training program for owners and operators of small businesses; appropriating money; amending Minnesota Statutes 1984, section 116J.68, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Kahn, Battaglia, Voss, Norton and O'Connor introduced:

H. F. No. 2305, A bill for an act relating to crimes; repealing the crime of criminal syndicalism; repealing Minnesota Statutes 1984, section 609.405.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Piepho, Frerichs, Heap, Tompkins and Elioff introduced:

H. F. No. 2306, A bill for an act relating to education; establishing a task force to enhance and assess quality in post-secondary education; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

The bill was read for the first time and referred to the Committee on Education.

Welle, Brown, Kalis, Rodosovich and Brinkman introduced :

H. F. No. 2307, A bill for an act relating to game and fish ; providing a split season opener for the migratory waterfowl season ; amending Minnesota Statutes 1984, section 97.48, subdivision 23.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Welle, Brown, Rodosovich, Schoenfeld and Brinkman introduced :

H. F. No. 2308, A bill for an act relating to game and fish ; setting a staggered opening date for the pike season ; amending Minnesota Statutes 1984, section 101.41, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Valento, Ozment, Tompkins, Miller and Stanius introduced :

H. F. No. 2309, A bill for an act relating to port authorities ; prohibiting the use of state money or credit to pay or guarantee the debt of a port authority or its debtor ; proposing coding for new law in Minnesota Statutes, chapter 458.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

McPherson, Price, Levi and Beard introduced :

H. F. No. 2310, A bill for an act relating to state waters ; providing for unrestricted use of authorized boat slips by marinas on the lower St. Croix river.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Greenfield introduced :

H. F. No. 2311, A bill for an act relating to state departments and agencies ; providing for inspections of certain facilities and imposition of fines ; amending Minnesota Statutes 1984, sections 144.55, subdivision 4 ; and 245.805.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Greenfield, Wynia, Ozment, Sviggum and Brandl introduced:

H. F. No. 2312, A bill for an act relating to human services; eliminating supportive living residences as residential care facilities for persons with mental illness; providing for the establishment of a third level of care for persons with mental illness; directing the commissioner of human services to review and alter rules relating to residential care facilities for persons with mental illness; amending Minnesota Statutes 1984, sections 245.782, subdivisions 2 and 6; 245.802, by adding a subdivision; repealing Minnesota Statutes 1984, section 245.802, subdivision 1a.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Thorson introduced:

H. F. No. 2313, A bill for an act relating to retirement; directing payment of survivor benefits to the surviving spouse of a certain deceased member of the state retirement system; appropriating money.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Johnson and Carlson, D., introduced:

H. F. No. 2314, A bill for an act relating to game and fish; prohibiting issuance of moose licenses to previously licensed applicants; amending Minnesota Statutes 1984, section 100.271, subdivision 3a.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Murphy introduced:

H. F. No. 2315, A bill for an act relating to state lands; authorizing an exchange of certain state lands with the city of Thomson in Carlton county.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Munger, Rose, Boo, Battaglia and Carlson, D., introduced:

H. F. No. 2316, A bill for an act relating to water; prohibiting the commissioner of natural resources from issuing or approving certain permits or plans for diversion of water from certain water basins before consultation with state and Canadian officials; amending Minnesota Statutes 1984, sections 105.37, by adding a subdivision; 105.405, subdivision 2, and by adding subdivisions; and 105.44, subdivision 4.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Zaffke, Schafer, Kalis, Thiede and Begich introduced:

H. F. No. 2317, A bill for an act relating to corporations; providing for the resignation of registered agents of foreign corporations; amending Minnesota Statutes 1984, section 303.10, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Waltman introduced:

H. F. No. 2318, A bill for an act relating to agriculture; strengthening the pesticide laws; imposing penalties; amending Minnesota Statutes 1984, sections 18A.21, subdivisions 1, 4, 5, 7, 8, 10, 12, 16, 19, 20, 21, 22, 23, 27, 29, 30, 31, 32, 33, 34, 35, 36, and by adding subdivisions; 18A.22, subdivisions 1, 2, 5, 7, and 8; 18A.23; 18A.24; 18A.25; 18A.27; 18A.28, subdivisions 1, 2, 3, 4, and by adding a subdivision; 18A.29, subdivisions 1, 3, and by adding subdivisions; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.36, subdivisions 1 and 2; 18A.37; 18A.39; 18A.41; 18A.42; 18A.43; 18A.44; and 18A.45; proposing coding for new law in Minnesota Statutes, chapter 18A; repealing Minnesota Statutes 1984, sections 18A.26; 18A.28, subdivisions 5 and 6; 18A.29, subdivision 2; and 18A.36, subdivision 3.

The bill was read for the first time and referred to the Committee on Agriculture.

Waltman introduced:

H. F. No. 2319, A bill for an act relating to environment; requiring at least four members of the pollution control agency board to be persons knowledgeable in agriculture; amending Minnesota Statutes 1984, section 116.02, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Gruenes introduced:

H. F. No. 2320, A bill for an act relating to education; requiring special instruction and services for handicapped children from birth to age three; requiring district plans to include special instruction and services for children under age five; amending Minnesota Statutes 1984, section 120.17, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 120.17, subdivisions 1, 3, 3a, and 13.

The bill was read for the first time and referred to the Committee on Education.

Brown; Olson, E.; Krueger; Lieder and Sparby introduced:

H. F. No. 2321, A bill for an act relating to individual income taxation; providing a subtraction for interest on seller sponsored family farm security loans; amending Minnesota Statutes 1985 Supplement, section 290.01, subdivision 20b.

The bill was read for the first time and referred to the Committee on Taxes.

Simoneau introduced:

H. F. No. 2322, A bill for an act relating to retirement; state employees surviving spouse benefits; amending Minnesota Statutes 1984, section 352.12, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Olsen, S.; Nelson, K.; Voss; McEachern and Schafer introduced:

H. F. No. 2323, A bill for an act relating to education; changing the status of the advisory council on uniform financial accounting and reporting standards to a board; enabling the uniform financial accounting and reporting standards board to authorize school boards to permanently transfer money from one fund to another; removing the authority to authorize permanent fund transfers from the state board of education; amending Minnesota Statutes 1984, sections 121.901; 121.902; and Minnesota Statutes 1985 Supplement, section 121.9121.

The bill was read for the first time and referred to the Committee on Education.

Olsen, S.; Nelson, K.; Voss; McEachern and Schafer introduced:

H. F. No. 2324, A bill for an act relating to education; prohibiting the state board from authorizing a school board to transfer money from the debt redemption fund, except as provided in Minnesota Statutes, section 475.61, subdivision 4; amending Minnesota Statutes 1985 Supplement, section 121.9121, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Olsen, S.; Nelson, K.; Voss; McEachern and Schafer introduced:

H. F. No. 2325, A bill for an act relating to education; establishing the fund transfer committee composed of the commissioners of education, finance, and revenue; enabling the fund transfer committee to authorize school boards to permanently transfer money from one fund to another; removing the authority to authorize permanent fund transfers from the state board of education; amending Minnesota Statutes 1985 Supplement, section 121.9121.

The bill was read for the first time and referred to the Committee on Education.

Becklin and Jennings, L., introduced:

H. F. No. 2326, A bill for an act relating to environment; transferring certain duties of the pollution control agency under the waste management act to the waste management board; amending Minnesota Statutes 1984, sections 115A.42; 115A.44; 115A.45; 115A.46, subdivision 1; 115A.51; 115A.53; and 115A.917; Minnesota Statutes 1985 Supplement, sections 115A.49 and 115A.52.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Begich, Battaglia, Minne, Elioff and Solberg introduced:

H. F. No. 2327, A bill for an act relating to economic development; establishing a mineral resources program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

McDonald introduced:

H. F. No. 2328, A bill for an act relating to the city of Cologne; exempting certain general obligation bonds and tax levies from debt and levy limitations.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Tompkins, Ozment, Voss, Rees and Halberg introduced:

H. F. No. 2329, A bill for an act relating to Dakota county; authorizing the issuance of bonds for the construction of library buildings and an annual levy for debt retirement.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Schreiber, Blatz, Jacobs and McKasy introduced:

H. F. No. 2330, A bill for an act relating to taxation; income; providing for additional withholding exemptions in certain instances; imposing a penalty; amending Minnesota Statutes 1984, section 290.92, subdivision 5; Minnesota Statutes 1985 Supplement, section 290.92, subdivisions 5a and 15.

The bill was read for the first time and referred to the Committee on Taxes.

Shaver, Quinn, Schreiber and Fjoslien introduced:

H. F. No. 2331, A bill for an act relating to taxation; providing for the taxation of lawful gambling; making unlicensed wholesaling of gambling equipment a felony; exempting certain lawful gambling from licensing and taxation; providing a penalty; amending Minnesota Statutes 1984, sections 349.12, by adding a subdivision; 349.212, by adding a subdivision; 349.214, subdivision 2, and by adding a subdivision; 349.22; 349.31, subdivision 1; and 609.761; Minnesota Statutes 1985 Supplement, section 349.212, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 349.

The bill was read for the first time and referred to the Committee on Taxes.

Onnen introduced:

H. F. No. 2332, A bill for an act relating to health; requiring the transfer of licensure activities from the commissioner of human services to the commissioner of health.

The bill was read for the first time and referred to the Committee on Health and Human Services.

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Thorson moved that the name of Tjornhom be added as an author on H. F. No. 2230. The motion prevailed.

Clausnitzer moved that the names of Vellenga, Ozment, Greenfield and Kiffmeyer be added as authors on H. F. No. 2243. The motion prevailed.

Tompkins moved that the following statement be printed in the Journal for today:

“When the vote was taken on the final passage of H. F. No. 1844 I inadvertently voted in the negative. If I had the opportunity to change my vote, I would have voted in the affirmative.” The motion prevailed.

Simoneau moved that the following statement be printed in the Journal for today:

“At the time the vote was taken on the final passage of S. F. No. 40 I was attending a meeting in the Governor’s office. Had I been present I would have voted in the affirmative.” The motion prevailed.

MOTION TO TAKE FROM THE TABLE

Knickerbocker moved that H. F. No. 671 be taken from the table and be placed upon its passage.

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker motion and the roll was called. There were 81 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Backlund	Greenfield	Lieder	Piepho	Sviggum
Becklin	Gutknecht	Long	Price	Thiede
Bennett	Halberg	Marsh	Quinn	Thorson
Bishop	Hartinger	McDonald	Redalen	Tjornhom
Blatz	Hartle	McKasy	Rest	Tomlinson
Boo	Haukoos	McLaughlin	Riveness	Uphus
Brandl	Heap	McPherson	Rodosovich	Valento
Burger	Himle	Miller	Scheid	Vellenga
Carlson, D.	Jacobs	Munger	Schreiber	Voss
Carlson, J.	Jaros	Nelson, K.	Seaberg	Waltman
Carlson, L.	Jennings, L.	Neuenschwander	Segal	Welle
Dempsey	Johnson	Norton	Shaver	Wynia
Dimler	Kahn	Olsen, S.	Sherman	Spk. Jennings, D.
Dyke	Kelly	Osthoff	Simoneau	
Forsythe	Kiffmeyer	Otis	Skoglund	
Frederickson	Knickerbocker	Pappas	Sparby	
Frerichs	Knuth	Pauly	Staten	

Those who voted in the negative were:

Anderson, G.	Begich	Clausnitzer	Elioff	Frederick
Anderson, R.	Brinkman	Cohen	Erickson	Gruenes
Battaglia	Brown	DenOuden	Fjoslien	Kalis

Kostohryz	Murphy	Onnen	Quist	Schafer
Krueger	Nelson, D.	Ozment	Rees	Tompkins
Kvam	O'Connor	Peterson	Rice	Tunheim
McEachern	Ogren	Piper	Richter	Valan
Metzen	Omann	Poppenhagen	Sarna	Wenzel
Minne				

The motion prevailed and H. F. No. 671 was taken from the table.

H. F. No. 671 was reported to the House.

H. F. No. 671, A bill for an act relating to financial institutions; authorizing interstate acquisition and formation of banks between this state and certain states on a reciprocal basis; proposing coding for new law in Minnesota Statutes, chapter 48.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 82 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Backlund	Forsythe	Knuth	Pauly	Stanius
Beard	Frerichs	Levi	Piepho	Staten
Becklin	Greenfield	Lieder	Price	Sviggum
Bennett	Gutknecht	Long	Quinn	Thiede
Bishop	Halberg	Marsh	Redalen	Thorson
Blatz	Hartinger	McDonald	Rest	Tjornhom
Boo	Hartle	McLaughlin	Riveness	Tomlinson
Brandl	Haukoos	McPherson	Rose	Valento
Burger	Heap	Miller	Scheid	Vellenga
Carlson, D.	Himle	Murphy	Schreiber	Voss
Carlson, J.	Jacobs	Nelson, K.	Seaberg	Waltman
Carlson, L.	Jaros	Neuenschwander	Segal	Welle
Clausnitzer	Jennings, L.	Norton	Shaver	Wynia
Cohen	Kahn	Olsen, S.	Sherman	Spk. Jennings, D.
Dempsey	Kelly	Osthoff	Simoneau	
Dimler	Kiffmeyer	Otis	Skoglund	
Ellingson	Knickerbocker	Pappas	Sparby	

Those who voted in the negative were:

Anderson, G.	Elioff	Kvam	Onnen	Schafer
Anderson, R.	Erickson	McEachern	Ozment	Solberg
Battaglia	Fjoslien	McKasy	Peterson	Tompkins
Begich	Frederick	Metzen	Poppenhagen	Tunheim
Boerboom	Frederickson	Minne	Quist	Uphus
Brinkman	Gruenes	Munger	Rees	Valan
Brown	Johnson	Nelson, D.	Rice	Vanasek
Clark	Kalis	O'Connor	Richter	Wenzel
DenOuden	Kostohryz	Ogren	Rodosovich	
Dyke	Krueger	Omann	Sarna	

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

Riveness moved that the name of Ozment be added as an author on H. F. No. 1908. The motion prevailed.

Clark moved that H. F. No. 2184 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

Murphy moved that H. F. No. 2315 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, February 24, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, February 24, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SEVENTY-FOURTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 24, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend John Kemp, St. Anthony Park United Church of Christ, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Erickson	Kvam	Pappas	Skoglund
Anderson, R.	Fjoslien	Levi	Pauly	Solberg
Backlund	Forsythe	Lieder	Peterson	Sparby
Battaglia	Frederick	Long	Piepho	Stanius
Beard	Frederickson	Marsh	Piper	Staten
Becklin	Frerichs	McDonald	Poppenhagen	Svigum
Begich	Greenfield	McEachern	Price	Thiede
Bennett	Gruenes	McKasy	Quinn	Thorson
Bishop	Gutknecht	McLaughlin	Quist	Tjornhom
Blatz	Halberg	McPherson	Redalen	Tomlinson
Boerboom	Hartinger	Metzen	Rees	Tompkins
Boo	Hartle	Miller	Rest	Tunheim
Brandl	Haukoos	Minne	Rice	Uphus
Brinkman	Heap	Munger	Richter	Valan
Brown	Himle	Murphy	Riveness	Valento
Burger	Jacobs	Nelson, D.	Rodosovich	Vanasek
Carlson, D.	Jaros	Nelson, K.	Rose	Vellenga
Carlson, J.	Jennings, L.	Norton	Sarna	Voss
Carlson, L.	Johnson	O'Connor	Schafer	Waltman
Clark	Kahn	Ogren	Scheid	Welle
Clausnitzer	Kalis	Olsen, S.	Schoenfeld	Wenzel
Cohen	Kelly	Olson, E.	Schreiber	Wynia
Dempsey	Kiffmeyer	Omann	Seaberg	Zaffke
DenOuden	Knickerbocker	Onnen	Segal	Spk. Jennings, D.
Dimler	Knuth	Osthoff	Shaver	
Dyke	Kostohryz	Otis	Sherman	
Elioff	Krueger	Ozment	Simoneau	

A quorum was present.

Neuenschwander was excused.

Ellingson was excused until 3:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 2011, 2017, 1781, 1835, 1980, 1989, 2009, 2012, 2032 and 1892 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 325, A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; proposing coding for new law in Minnesota Statutes, chapter 10A.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1345, A bill for an act relating to state lands; authorizing the sale of certain state lands in Lake of the Woods county.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1727, A bill for an act relating to agriculture; moving Wadena county from area one to area four for purposes of potato industry promotion; amending Minnesota Statutes 1984, section 17.54, subdivision 9.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1764, A bill for an act relating to commerce; regulating medical malpractice insurance to health care providers who are unable to obtain the coverage in the voluntary market; regulating malpractice actions against health care providers; providing certification of expert review and the waiver of privilege by health care providers; requiring disclosure of experts; revising the statute of limitations for minors; removing punitive damages; limiting noneconomic losses; changing the collateral source rule; and providing periodic payments of damages exceeding a threshold limitation; amending Minnesota Statutes 1984, sections 62F.04, by adding a subdivision; 62F.06, subdivision 1; 541.15; 549.09, subdivision 1; 549.20, subdivision 1, and by adding a subdivision; and 595.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145.

Reported the same back with the following amendments:

Page 4, line 19, delete "120" and insert "180"

Page 4, after line 20, insert:

"The parties by agreement, or the court for good cause shown, may provide for extensions of the time limits specified in this subdivision."

Page 4, line 26, delete "will" and insert "could"

Page 4, line 28, delete "each defendant" and insert "one or more defendants"

Page 4, line 28, delete "for"

Page 4, line 29, delete "that defendant"

Page 5, line 12, delete "120" and insert "180"

Page 5, after line 13, insert:

"The parties or the court for good cause shown, may by agreement, provide for extensions of the time limits specified in this subdivision. Nothing in this subdivision may be construed to prevent either party from calling additional witnesses or substituting other witnesses."

Page 5, line 20, delete "subdivisions 1 to 4 results" and insert "subdivision 1, clause (1), within 60 days after demand for the affidavit results"

Page 5, after line 22, insert :

“Failure to comply with subdivision 1, clause (2), and subdivision 3 results, upon motion, in mandatory dismissal with prejudice of each course of action as to which expert testimony is necessary to establish a prima facie case.”

Page 5, line 29, delete “If” and “is”

Page 5, lines 30 and 31, delete “, the violation constitutes unprofessional conduct and is grounds for discipline against the attorney, and”

Page 5, line 32, after “plaintiff” insert “responsible for such conduct”

Pages 5 and 6, delete sections 5 and 6

Page 13, line 13, before “Any” insert “(a) Except as provided in paragraph (b),”

Page 13, lines 17 to 20, delete the new language

Page 13, after line 32, insert :

“(b) In actions alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider, the grounds of disability specified in paragraph (a), clauses (1) to (5), suspend the period of limitation until the disability is removed; but in no case may the disability be extended more than six years or more than one year after the disability ceases.

If two or more disabilities coexist, the suspension continues until all are removed.”

Page 13, line 33, delete “section” and insert “paragraph”

Page 16, delete lines 4 to 11 and insert :

“Subd. 4. In an action alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider, no original complaint, crossclaim, counterclaim, or third party claim that seeks unliquidated damages may assert a claim for punitive or exemplary damages. A complaint or claim may be amended to include a claim for punitive or exemplary damages by leave of the court only after discovery is completed. The court shall grant leave to amend the complaint or claim if the parties agree or if the moving party presents evidence supporting the claim for punitive or exemplary damages, and that evidence, in relation to the requirements of this section,

is sufficient to withstand a motion for a directed verdict against the moving party on the claim for punitive or exemplary damages.

Any amendment made pursuant to this subdivision relates back to the date of the commencement of the original action for the purposes of any applicable statute of limitations."

Page 16, line 25, delete "*ex parte*"

Page 16, line 27, after the period, insert "*Prior to an informal discussion with a health care provider, either party must mail written notice to the other party at least 15 days before the discussion. Each party or each party's representative must have the opportunity to be present at any such informal discussion.*"

Page 16, lines 30 and 31, delete "*ex parte*"

Page 17, line 5, delete "*3 to 13*" and insert "*4 and 7*"

Page 17, line 6, after the period insert "*All other sections apply to actions pending on or commenced on or after the effective date of those sections.*"

Page 17, line 8, delete "*Section 9 is*" and insert "*Sections 4 and 7 are*"

Page 17, line 8, after the period, insert "*Section 10 is effective the day following final enactment.*"

Renumber the remaining sections

Correct internal references

Amend the title as follows:

Page 1, line 10, delete everything before "*changing*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1776, A bill for an act relating to commerce; providing immunity to municipalities for certain claims; regulating certain self-insurance pools; abolishing the collateral source rule; requiring judgments to be paid in periodic installments rather

than a lump sum upon request of either party; abolishing punitive damages in civil actions; placing a monetary maximum on the amount recoverable as intangible damages; eliminating joint liability in tort; amending Minnesota Statutes 1984, sections 466.01, subdivision 1; 466.03, subdivisions 4 and 6b, and by adding subdivisions; 471.982, subdivision 3; 549.09, subdivision 1; 549.20, subdivision 1; and 604.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 466, 481, 548, and 549; repealing Minnesota Statutes 1984, section 549.20, subdivisions 2 and 3.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 3.-736, subdivision 3, is amended to read:

Subd. 3. [EXCLUSIONS.] Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses, the legislature declares that the state and its employees are not liable for the following losses:

(a) Any loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or regulation;

(b) Any loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;

(c) Any loss in connection with the assessment and collection of taxes;

(d) Any loss caused by snow or ice conditions on any highway, *public sidewalk that does not abut publicly owned buildings and parking lots*, or other public place, except when the condition is affirmatively caused by the negligent acts of a state employee;

(e) Any loss caused by wild animals in their natural state;

(f) Any loss other than injury to or loss of property or personal injury or death;

(g) Any loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, and appurtenances, fixtures and attachments to land that the state has neither affixed nor improved;

(h) Any loss incurred by a user within the boundaries of the outdoor recreation system and arising from the construction, operation, or maintenance of the system, as defined in section 86A.04, or from the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, or from the construction, operation, or maintenance of a water access site created by the iron range resources and rehabilitation board, except that the state is liable for conduct that would entitle a trespasser to damages against a private person.

(i) Any loss of benefits or compensation due under a program of public assistance or public welfare, except where state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(j) Any loss based on the failure of any person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(k) Any loss based on the usual care and treatment, or lack of care and treatment, of any person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(l) Any loss, damage, or destruction of property of a patient or inmate of a state institution;

(m) Any loss for which recovery is prohibited by section 169.121, subdivision 9.

The state will not pay punitive damages."

Page 2, line 3, after "*sidewalk*" insert "*that does not abut publicly owned buildings and parking lots*"

Page 2, line 26, before the period, insert "*or for claims based on negligent construction, operation, or maintenance of physical improvements including, but not limited to, play equipment, bridges, and equipment related to operation of downhill skiing facilities*"

Page 2, lines 27 to 31, delete section 5

Page 3, after line 19, insert :

"Sec. 10. Minnesota Statutes 1984, section 541.051, is amended to read:

541.051 [LIMITATION OF ACTION FOR DAMAGES BASED ON SERVICES OR CONSTRUCTION TO IMPROVE REAL PROPERTY.]

Subdivision 1. Except where fraud is involved, no action by any person in contract, tort, or otherwise to recover damages for any injury to property, real or personal, or for bodily injury or wrongful death, arising out of the defective and unsafe condition of an improvement to real property, nor any action for contribution or indemnity for damages sustained on account of the injury, shall be brought against any person performing or furnishing the design, planning, supervision, materials, or observation of construction or construction of the improvement to real property or against the owner of the real property more than two years after discovery thereof, nor, in any event shall such a cause of action accrue more than (15) *seven* years after substantial completion of the construction. Date of substantial completion shall be determined by the date when construction is sufficiently completed so that the owner or his representative can occupy or use the improvement for the intended purpose.

Nothing in this section shall apply to actions for damages resulting from negligence in the maintenance, operation or inspection of the real property improvement against the owner or other person in possession.

Subd. 2. Notwithstanding the provisions of subdivision 1, in the case of an action which accrues during the (14TH) *sixth* or (15TH) *seventh* year after substantial completion of the construction, an action to recover damages may be brought within two years after the date on which the action accrued, but in no event may an action be brought more than (17) *nine* years after substantial completion of the construction.

Subd. 3. Nothing in this section shall be construed as extending the period prescribed by the laws of this state for the bringing of any action.

Subd. 4. This section shall not apply to actions based on breach of the statutory warranties set forth in section 327A.02, or to actions based on breach of an express written warranty, provided such actions shall be brought within two years of the discovery of the breach."

Page 3, line 22, after "*payments*" insert "*, related to the injury or disability in question,*"

Page 4, line 4, before the period, insert "*except benefits received from a private disability insurance policy where the premiums were wholly paid for by the plaintiff*"

Page 5, after line 1, insert:

"Subd. 2. [DEPENDENT.] "*Dependent*" means a child of a plaintiff under age 21, or any other person over age 21 who is dependent on the plaintiff for monetary support and who is physically or mentally incapacitated."

Renumber the remaining subdivisions.

Page 8, delete lines 25 to 28 and insert:

"All periodic payments for future damages made to the plaintiff cease when the plaintiff dies except when the plaintiff is survived by a spouse or dependent. Under those circumstances, the portion of the periodic payments representing future loss of earnings or earnings capacity awarded pursuant to section 14, clause (2) (ii) will continue and is governed by the original payment schedule. Payments will cease on completion of the original payment schedule, the death of the spouse, the attainment of age 21 by the last dependent child, or the death of the last remaining incapacitated dependent, whichever occurs later."

Page 12, line 17, after the period, insert:

"For the purposes of clause (3), the amount of the settlement offer must be allocated between past and future damages in the same proportion as determined by the trier of fact."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, after the second "to" insert "the state and"

Page 1, line 4, after the semicolon, insert "modifying the limitation on actions for damages based on services of construction to improve real property;"

Page 1, line 13, after the first semicolon insert "541.051;"

Page 1, line 14, after the second "subdivision 1;" insert "Minnesota Statutes 1985 Supplement, section 3.736, subdivision 3;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1782, A bill for an act relating to lakes; permitting the creation of the Pelican Lake conservation district in Otter Tail county with certain powers; providing penalties.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [378.401] [CITATION.]

Sections 2, 7, and 378.41 to 378.57 may be cited as the lake improvement district act.

Sec. 2. [378.405] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2, 7, and 378.41 to 378.57.

Subd. 2. [BOARD.] "Board" means county board.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 4. [DISTRICT.] "District" means a lake improvement district.

Subd. 5. [JOINT COUNTY AUTHORITY.] "Joint county authority" means a joint county authority formed by county boards under section 378.44.

Subd. 6. [PROPERTY OWNER.] "Property owner" means the owner of real property within the district or the buyer under contract for deed of property in the district.

Sec. 3. Minnesota Statutes 1984, section 378.41, is amended to read:

378.41 [(ESTABLISHMENT OF LAKE IMPROVEMENT DISTRICTS) ADMINISTRATION BY COMMISSIONER.]

Subdivision 1. [PURPOSE.] (a) In furtherance of the policy declared in section 378.31, the commissioner (OF NATURAL RESOURCES) shall coordinate and supervise a local-state program for the establishment of lake improvement districts by counties (AND CITIES) for lakes located within their boundaries based on state guidelines and regulations and compatible with all state, regional, and local plans where (SUCH) the plans exist.

(b) In administration of this program the commissioner of natural resources shall consult with and obtain advice from other state agencies on those aspects of the program for which the agencies have specific legislative authority including but not limited to the department of health and the pollution control agency.

Subd. 2. [RULES.] The commissioner (OF NATURAL RESOURCES, BEFORE APRIL 1, 1979,) shall (PROMULGATE) *adopt permanent and emergency rules (PURSUANT TO CHAPTER 15 WHICH) to provide guidelines, criteria and standards for establishment of lake improvement districts by counties (AND CITIES).*

Sec. 4. Minnesota Statutes 1984, section 378.42, is amended to read:

378.42 [(CREATION) INITIATION AND ESTABLISHMENT BY COUNTY BOARD.]

Subdivision 1. [RESOLUTION OF INTENT.] The county board may (ESTABLISH) *initiate the establishment of a lake improvement district in a portion of the county (BY ADOPTION OF AN APPROPRIATE RESOLUTION) under this section. The board must adopt a resolution declaring the intent of the board to establish a lake improvement district. The resolution (SHALL) must:*

(1) *specify the (TERRITORIAL) boundaries of the (AREA) district, which shall be encouraged to be as consistent as (POSSIBLE) practical with natural hydrologic boundaries (,);*

(2) *prescribe the (TYPE OR TYPES OF) water and related land resource management programs to be undertaken in the (AREA, A STATEMENT OF THE MEANS BY WHICH) district;*

(3) *state how the programs will be financed (, AND A DESIGNATION OF);*

(4) *designate the county officer or agency (WHO) that will be responsible for supervising the programs; and*

(5) *set a date for a hearing on the resolution.*

Subd. 2. [HEARING.] (BEFORE THE ADOPTION OF SUCH A RESOLUTION,) The county board (SHALL) *must* hold a public hearing on (THE QUESTION OF) whether (OR NOT) a lake improvement district (SHALL) *should be established.* Before the date set for the hearing, any interested person may file (HIS) objections to the formation of (SUCH) *the* district with the county auditor. At the hearing, any interested person may offer objections, criticisms, or suggestions (AS TO) *about the necessity of the proposed district (AS OUTLINED) and (TO THE QUESTION OF WHETHER HIS) how the person's property will be benefited or affected by the establishment of the district.*

Subd. 3. [ESTABLISHMENT.] (FOLLOWING THE HEARING,) (a) *The county board may establish a lake improvement district, by order, after making findings, if (IT APPEARS TO) the board (, AFTER CONSIDERATION OF ALL TESTIMONY,) determines that the:*

(1) proposed district is necessary or that the public welfare will be promoted by the establishment of the district (, THAT THE);

(2) property to be included in the district will be benefited by (THE ESTABLISHMENT THEREOF, AND THAT THE) *establishing the district; and*

(3) formation of the (PROPOSED) district will not cause or contribute to long range environmental pollution (, THE COUNTY BOARD, BY FORMAL ORDER, SHALL DECLARE ITS FINDINGS, SHALL ESTABLISH THE BOUNDARIES OF THE DISTRICT AND SHALL DECLARE THE DISTRICT ORGANIZED AND GIVE IT A CORPORATE NAME BY WHICH IT SHALL BE KNOWN).

(b) *The order establishing the district must state the board's findings and specify or prescribe those matters contained in subdivision 1, paragraphs (1) to (4).*

Sec. 5. Minnesota Statutes 1984, section 378.43, is amended to read:

378.43. [INITIATION BY PETITION (FOR CREATION) AND ESTABLISHMENT BY COUNTY BOARD.]

Subdivision 1. [PETITION.] (A PETITION SIGNED BY 51 PERCENT OF THE RESIDENT OWNERS AS DEFINED IN SECTION 112.35, SUBDIVISION 21, WITHIN THE PROPOSED LAKE IMPROVEMENT DISTRICT AS SPECIFIED IN THE PETITION SHALL BE FILED WITH THE COUNTY CLERK AND ADDRESSED TO THE BOARD REQUESTING THE ESTABLISHMENT OF A LAKE IMPROVEMENT DISTRICT TO DEVELOP AND PROVIDE A PROGRAM OF WATER AND RELATED LAND RESOURCES MANAGEMENT. GOVERNMENTAL SUBDIVISIONS, OTHER THAN THE STATE OR FEDERAL GOVERNMENTS, OWNING LANDS WITHIN THE PROPOSED DISTRICT ARE ELIGIBLE TO SIGN THE PETITION.)

(THE PETITION SHALL SET FORTH THE FOLLOWING:)

((1) THE NAME OF THE PROPOSED DISTRICT;)

((2) THE NECESSITY FOR THE PROPOSED DISTRICT SO THAT THE PUBLIC HEALTH OR PUBLIC WELFARE WILL BE PROMOTED BY THE ESTABLISHMENT OF THE DISTRICT AND THAT THE LANDS TO BE INCLUDED THEREIN WILL BE BENEFITED BY THE ESTABLISHMENT OR ACCOMPLISH ANY OF THE PURPOSES OF A LAKE IMPROVEMENT DISTRICT;)

((3) THE BOUNDARIES OF THE TERRITORY, WHICH SHALL BE AS CONSISTENT AS POSSIBLE WITH NATURAL HYDROLOGIC BOUNDARIES, TO BE INCLUDED IN THE PROPOSED DISTRICT;)

((4) A MAP OF THE PROPOSED DISTRICT;)

((5) THE NUMBER OF MANAGERS PROPOSED FOR THE DISTRICT. THE MANAGERS SHALL NOT BE LESS THAN THREE NOR MORE THAN FIVE AND BE SELECTED FROM A LIST OF TEN NOMINEES; AND)

((6) A REQUEST FOR THE ORGANIZATION OF THE DISTRICT AS PROPOSED.) *(a) A lake improvement district may be initiated by a petition to the county board. The petition must state:*

(1) the name of the proposed lake improvement district;

(2) the necessity of the proposed district to promote public health or public welfare;

(3) the benefits to property from the establishment of the lake improvement district;

(4) the boundaries of the proposed district which shall be encouraged to be as consistent as possible with natural hydrologic boundaries;

(5) a map of the proposed district;

(6) the number, from five to nine, of directors proposed for the district; and

(7) a request for establishing the district as proposed.

(b) A petition must be signed by 51 percent of the property owners within the proposed lake improvement district described in the petition. Governmental subdivisions, other than the state or federal governments, owning lands within the proposed district are eligible to sign the petition.

(c) No petition for the creation of a district may be filed with the county auditor under paragraph (d) unless there is attached

to the petition a resolution in favor of the creation of the district, approved by the town board of the town in which the lake is located. If the natural hydrologic boundaries of a proposed district extend into more than one town, the petition may not be filed without a resolution in favor of the creation of the district by the town boards of each of the affected towns. The town board of an affected town shall act by resolution to approve or disapprove the creation of a district, within 30 days of a request for approval made by the petitioners.

(d) The petition must be filed with the county auditor and addressed to the board requesting the board to establish a lake improvement district to develop and provide a program of water and related land resources management.

Subd. 2. [HEARING.] (UPON RECEIPT OF THE PETITION, AND VERIFICATION OF THE SIGNATURES THEREON BY THE COUNTY AUDITOR, THE COUNTY BOARD SHALL, WITHIN 30 DAYS FOLLOWING VERIFICATION, HOLD A PUBLIC HEARING ON THE QUESTION OF WHETHER OR NOT THE REQUESTED LAKE IMPROVEMENT DISTRICT SHALL BE ESTABLISHED.) *After receiving the petition, the county auditor must verify the signatures and notify the county board. Within 30 days after being notified of the petition, the county board must hold a public hearing on whether the requested lake improvement district should be established.*

Subd. 3. [ESTABLISHMENT.] (WITHIN 30 DAYS FOLLOWING THE HOLDING OF A PUBLIC HEARING THE COUNTY BOARD BY RESOLUTION SHALL APPROVE OR DISAPPROVE THE ESTABLISHMENT OF THE REQUESTED LAKE IMPROVEMENT DISTRICT AND GIVE IT A CORPORATE NAME BY WHICH IT SHALL BE KNOWN. A RESOLUTION APPROVING THE CREATION OF THE LAKE IMPROVEMENT DISTRICT MAY CONTAIN MODIFICATIONS OF THE AREA'S BOUNDARIES, FUNCTIONS, FINANCING, OR ORGANIZATION FROM WHAT WAS SET FORTH IN THE PETITION.) *Within 30 days after holding the public hearing, the county board shall, by order, establish or deny the establishment of the petitioned lake improvement district. An order establishing a district must conform to section 7 and may modify the petition relating to the district's boundaries, functions, financing, or organization.*

Sec. 6. Minnesota Statutes 1984, section 378.44, is amended to read:

378.44 [(JOINT ACTION) ESTABLISHMENT OF A DISTRICT IN MORE THAN ONE COUNTY.] Where the natural hydrologic boundaries of (AN AREA) a proposed district extend into more than one county, the county boards of the counties

affected may form a joint county authority and establish and maintain a lake improvement district jointly or cooperatively as provided in section 471.59 (, EITHER ON THEIR OWN MOTION OR PURSUANT TO PETITION). *The district may be initiated by the joint county authority in the same manner as a county board under section 378.42 or by petition to the affected county boards.*

Sec. 7. [378.455] [ORDER ESTABLISHING DISTRICT.]

An order by the county board or joint county authority establishing a district must state the:

- (1) *name of the district;*
- (2) *boundaries of the district, which must be as consistent as practical with natural hydrologic boundaries;*
- (3) *water and related land resources management programs and services to be undertaken;*
- (4) *manner of financing programs and services; and*
- (5) *number, qualifications, terms of office, removal, and filling of vacancies of the board of directors.*

Sec. 8. Minnesota Statutes 1984, section 378.46, is amended to read:

378.46 [PUBLICATION AND EFFECTIVE DATE.]

(UPON PASSAGE OF A COUNTY BOARD RESOLUTION AUTHORIZING THE CREATION OF A LAKE IMPROVEMENT DISTRICT, THE COUNTY BOARD OR BOARDS SHALL CAUSE THE RESOLUTION TO BE PUBLISHED ONCE IN THE OFFICIAL NEWSPAPERS AND FILED WITH THE SECRETARY OF STATE, THE POLLUTION CONTROL AGENCY AND THE COMMISSIONER OF NATURAL RESOURCES. THE LAKE IMPROVEMENT DISTRICT SHALL BE DEEMED ESTABLISHED 30 DAYS AFTER PUBLICATION OR AT SUCH LATER DATE AS MAY BE SPECIFIED IN THE RESOLUTION.)

Subdivision 1. [PUBLICATION OF ESTABLISHMENT ORDER.] If a lake improvement district is established, the county board, or joint county authority issuing the order establishing the district, shall publish the order once in the official newspapers of counties where the district is located and file the order with the secretary of state, the pollution control agency, and the commissioner of natural resources.

Subd. 2. [EFFECTIVE DATE.] Establishment of the lake improvement district is effective 30 days after publication or at a later date, if specified in the establishment order.

Sec. 9. Minnesota Statutes 1984, section 378.47, is amended to read:

378.47 [REFERENDUM ON ESTABLISHMENT.]

Subdivision 1. [PETITION.] (UPON RECEIPT OF A PETITION SIGNED BY TWENTY-FIVE PERCENT OF THE RESIDENT OWNERS WITHIN THE TERRITORY OF THE LAKE IMPROVEMENT DISTRICT SPECIFIED IN THE RESOLUTION ADOPTED PURSUANT TO SECTION 378.42 PRIOR TO THE EFFECTIVE DATE OF ITS CREATION AS SPECIFIED IN SECTION 378.46, THE COUNTY BOARD OR BOARDS SHALL HOLD THE CREATION IN ABEYANCE PENDING REFERENDUM VOTE OF ALL QUALIFIED VOTERS AND RESIDENT OWNERS RESIDING WITHIN THE BOUNDARIES OF THE PROPOSED LAKE IMPROVEMENT DISTRICT.) *Twenty-five percent of the property owners within the lake improvement district established by the board or a joint county authority on its own initiative under section 378.42 may petition for a referendum on establishing the district before the effective date of its establishment. After receiving the petition, the county board or joint county authority must issue an order staying the establishment until a referendum vote is taken of all qualified voters and property owners within the proposed lake improvement district.*

Subd. 2. [ELECTION.] The county board or (BOARDS) *joint county authority* shall (MAKE ARRANGEMENTS FOR THE HOLDING OF) *conduct* a special election (NOT LESS THAN 30 NOR MORE THAN 90 DAYS) *in July or August after* (RECEIPT OF SUCH) *receiving the referendum petition. The special election must be held within* (THE BOUNDARIES OF) the proposed lake improvement district (SPECIFIED IN THE RESOLUTION ADOPTED PURSUANT TO SECTION 378.42). (IF A GENERAL ELECTION WILL BE HELD WITHIN THE TIME SPECIFIED, THE VOTE ON CREATION MAY BE HELD AS PART OF THE GENERAL ELECTION.) The county auditor shall administer the *special* election.

Subd. 3. [QUESTION SUBMITTED TO VOTERS.] The question to be submitted and voted upon by the qualified voters and (RESIDENT) *property* owners within (THE TERRITORY OF) the proposed lake improvement district (SHALL) *must be* (PHRASED) *stated* substantially as follows:

“(SHALL) *Should* a lake improvement district be established (IN ORDER) to provide (*description of intended water and related land resources improvements*) and financed by (*description of revenue sources*)?”

Subd. 4. [CERTIFICATION OF VOTE AND ESTABLISHMENT.] (UPON CERTIFICATION OF THE VOTE BY) The county auditor (,) must certify the vote on the question submitted. If a majority of those voting on the question favor (CREATION OF) establishing the proposed lake improvement district, the (LAKE IMPROVEMENT) stay on establishing the district (SHALL BE DEEMED CREATED) is lifted. If a majority of those voting on the question do not favor establishing the proposed lake improvement district, the establishment is denied.

Sec. 10. Minnesota Statutes 1984, section 378.51, is amended to read:

378.51 [BOARD OF DIRECTORS.]

Subdivision 1. [MEMBERSHIP.] After (CREATION OF) a lake improvement district is established, the county board or (BOARDS) joint county authority shall appoint persons to serve as (A) an initial board of directors for the (LAKE IMPROVEMENT) district. The number, qualifications, terms of office, removal, and filling of vacancies of directors shall be as provided in the (RESOLUTION) order creating the board of directors. The initial (BOARD) and all subsequent boards of directors (SHALL) must include persons owning property within the district, (AT LEAST ONE OF WHOM IS A RESIDENT) and a majority of the directors must be residents of the district.

Subd. 2. [COMPENSATION.] The directors shall serve (WITHOUT) with compensation (BUT) as determined by the property owners at the annual meeting and may be reimbursed for their actual expenses necessarily incurred in the performance of their duties in the manner provided for county employees.

Subd. 3. [POWERS.] County boards, joint county authorities, and statutory and home rule cities may, by order, delegate the powers in this section to the board of directors of a district to be exercised within the district. Programs and services undertaken must be consistent with the statewide water and related land resources plan prepared by the commissioner of natural resources, and with regional water and related resources plans. A body of water may not be improved by using authority granted under this section unless the public has access to some portion of the shoreline. County boards, joint county authorities, and statutory and home rule cities may delegate their authority to a district board of directors to:

(1) acquire by gift or purchase an existing dam or control works that affects the level of waters in the district;

(2) construct and operate water control structures that are approved by the commissioner of natural resources under section 105.42;

(3) *undertake projects to change the course current or cross section of public waters that are approved by the commissioner of natural resources under section 105.42;*

(4) *acquire property, equipment, or other facilities, by gift or purchase to improve navigation;*

(5) *contract with a board of managers of a watershed district within the lake improvement district or the board of supervisors of a soil and water conservation district within the district for improvements under chapters 40 and 112;*

(6) *undertake research to determine the condition and development of the body of water and the water entering it and to transmit the studies to the pollution control agency and other interested authorities;*

(7) *develop and implement a comprehensive plan to eliminate water pollution;*

(8) *conduct a program of water improvement and conservation;*

(9) *construct a water, sewer, or water and sewer system in the manner provided by section 444.075 or other applicable laws;*

(10) *receive financial assistance from and participate in projects or enter into contracts with federal and state agencies for the study and treatment of pollution problems and related demonstration programs;*

(11) *make cooperative agreements with the United States or state government or other county or city to effectuate water and related land resource programs;*

(12) *maintain public beaches, public docks, and other public facilities for access to the body of water;*

(13) *provide and finance a government service of the county or statutory or home rule city that is not provided throughout the county or, if the government service is provided, the service is at an increased level within the district; and*

(14) *regulate water surface use as provided in section 378.32.*

Sec. 11. Minnesota Statutes 1984, section 378.52, is amended to read:

378.52 [FINANCING.]

Subdivision 1. [REVENUE.] The county board or (BOARDS IN ORDER TO ACCOMPLISH THE PURPOSES

SPECIFIED IN THE RESOLUTION CREATING A LAKE IMPROVEMENT DISTRICT) *joint county authority* may undertake projects of improvement consistent with (THESE) purposes (AND) of the district. To finance projects and services of the district, the county board or joint county authority may:

(1) assess the costs of the projects upon benefited property within the district in the manner provided (IN) *under chapter 429 (, MAY);*

(2) impose service charges on the users of lake improvement district services within the (AREA, AND MAY) *district;*

(3) *issue obligations as provided in section 429.091;*

(4) levy an ad valorem tax solely on property (SITUATED) within the lake improvement district, to be appropriated and expended solely on projects of special benefit to the (AREA,) *district; or*

(5) *may impose or issue any combination of service charges, special assessments, obligations, and taxes.*

Subd. 2. [TAX EXCLUDED FROM OTHER LIMITATIONS.] The tax (PROVIDED FOR BY) *under subdivision 1 (SHALL NOT BE SUBJECT TO ANY) is excluded from statutory (LIMITATION AS TO) limitations on the amount of taxes levied and (SHALL) does not affect the amount or rate of taxes that may be levied for other county purposes. (SUCH) A tax under subdivision 1 may be in addition to (ANY) amounts levied (UPON) on all taxable property in the county for the same or similar purposes.*

Subd. 3. [BUDGETING FOR OPERATIONS.] (UPON ADOPTION OF ITS ANNUAL BUDGET,) The county board or county boards *forming the joint county authority* shall include appropriate provisions *in its budget* for the operation of (THE) *a lake improvement district.*

Sec. 12. Minnesota Statutes 1984, section 378.55, is amended to read:

378.55 [EXPANSION OF THE BOUNDARIES OF A LAKE IMPROVEMENT DISTRICT.]

(A COUNTY BOARD, ON ITS OWN MOTION OR PURSUANT TO PETITION, MAY ENLARGE ANY EXISTING LAKE IMPROVEMENT DISTRICT PURSUANT TO THE PROCEDURES SPECIFIED IN) *The boundary of a district may be enlarged by complying with the procedures to establish a district under sections 378.41 to 378.46.*

Sec. 13. Minnesota Statutes 1984, section 378.56, is amended to read:

378.56 [TERMINATION.]

Subdivision 1. [PETITION.] (UPON RECEIPT OF A) *Termination of a district may be initiated by petition requesting the termination of the district. The petition must be signed by 51 percent of the (RESIDENT) property owners (WITHIN THE TERRITORY OF THE LAKE IMPROVEMENT DISTRICT REQUESTING THE TERMINATION OF THE LAKE IMPROVEMENT DISTRICT,) in a district within 30 days after receiving a petition. The county board or (BOARDS SHALL WITHIN 30 DAYS AFTER RECEIPT OF SUCH A PETITION, BY ITS ORDER FIX) joint county authority must set a time and place (,) for a hearing (THEREON) on terminating the district.*

Subd. 1a. [FINDINGS AND ORDER.] If the board or (BOARDS) *joint county authority* determine that the existence of the district is no longer in the public welfare or public interest and it is not needed to accomplish the purpose of sections 378.31 to 378.57 the board or (BOARDS) *joint county authority* shall (BY ITS) *make the findings and (ORDER) terminate the district by order.* Upon filing a certified copy of the findings and order with the secretary of state, pollution control agency, and commissioner of natural resources the district (SHALL CEASE) *is terminated and ceases to be a political subdivision of the state.*

Subd. 2. [TERMINATION OF FINANCING.] If a (LAKE IMPROVEMENT) district is terminated (PURSUANT TO) *under subdivision 1, (NO) additional water and related land resource management programs (SHALL) may not be undertaken with money raised by a special tax within the district, and (NO) additional special water and related land resource management taxes (SHALL) may not be levied within the district. (WHEN) If money raised by past special tax levies within the district has been exhausted, further operation and maintenance of existing programs may be financed by appropriations from the general revenue fund of (THE) an affected county.*

Sec. 14. Minnesota Statutes 1984, section 378.57, is amended to read:

378.57 [ANNUAL MEETING OF DISTRICT.]

Subdivision 1. [TIME.] (EVERY LAKE IMPROVEMENT) A district (SHALL) *must have an annual meeting. The first annual meeting shall be scheduled during the months of July or August, and (SHALL) be held annually (THEREAFTER) in that period unless changed by vote of the previous annual meeting.*

((1)) *Subd. 2.* [NOTICE.] The annual meeting shall be preceded by written notice mailed at least ten days in advance of the meeting to all (RESIDENT) *property* owners within the district and to the pollution control agency and commissioner of natural resources.

((2)) *Subd. 3.* [AGENDA.] At the annual meeting *the district property owners present* shall:

((A)) (1) elect one or more directors to fill vacancies in the (DISTRICT) board (.) *of directors*;

((B)) (2) approve a budget for the (COMING) *fiscal year* (.);

((C)) (3) approve or disapprove (ALL) proposed projects by the district having a cost to the district in excess of \$5,000 (, BY VOTE OF THE RESIDENT OWNERS WITHIN THE DISTRICT.); *and*

((D)) (4) take up and consider (SUCH) other business as comes before it.

Sec. 15. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber section 378.57 as 378.545.

Sec. 16. [REPEALER.]

Minnesota Statutes 1984, sections 378.41, subdivision 3; 378.45; and 378.53 are repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; enacting the lake improvement district act; providing for the creation, powers, and termination of lake improvement districts; amending Minnesota Statutes 1984, sections 378.41; 378.42; 378.43; 378.44; 378.46; 378.47; 378.51; 378.52; 378.55; 378.56; and 378.57; proposing coding for new law in Minnesota Statutes, chapter 378; repealing Minnesota Statutes 1984, sections 378.41, subdivision 3; 378.45; and 378.53."

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred :

H. F. No. 1801, A bill for an act relating to cemeteries ; providing for maintenance of certain cemeteries ; amending Minnesota Statutes 1984, section 306.245.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

“Section 1. Minnesota Statutes 1984, section 306.245, is amended to read :

306.245 [NEGLECTED CEMETERIES; DUTIES OF TOWN BOARD.]

The town board of supervisors (SHALL HAVE AUTHORITY TO) *may maintain in a proper and decent manner, and keep free of weeds, any cemetery which has been neglected or which has been voluntarily maintained by private individuals for (A PERIOD OF TEN) five years or more. The town may accept gifts of money and other assistance from individuals to maintain cemeteries.*

A town board may also accept gifts of money or property to establish a perpetual care program for a cemetery in the town. The money or property shall be held as a perpetual trust with the income from it, or as much of it as is needed from time to time, used to maintain and improve the cemetery. The trust and cemetery shall be administered by the town board. Consistent with other law, the town board may provide for the sale of burial plots and the supervision of burials in the cemetery. The town board may appoint a body to consist of from three to seven persons to serve staggered terms of three years and delegate all or part of the administration to it. Members of the body need not reside in the town. An annual report of the activities pertaining to the cemetery and the condition of any money or property in trust shall be made to the town electors.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred :

H. F. No. 1817, A bill for an act relating to water ; appropriating money to the commissioner of natural resources for dam reconstruction in Winona county.

Reported the same back with the following amendments :

Page 1, after line 14, insert :

“Sec. 2. [APPROPRIATION.]

\$100,000 is appropriated from the general fund to the commissioner of natural resources for the state's share of Fall Lake Dam reconstruction in Lake county.”

Amend the title as follows :

Page 1, line 4, delete “in Winona county”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred :

H. F. No. 1838, A bill for an act relating to agriculture; defining “milk,” “skim milk,” and “lowfat milk”; amending Minnesota Statutes 1984, section 32.391, subdivision 1, and by adding subdivisions.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

“Section 1. Minnesota Statutes 1984, section 32.391, subdivision 1, is amended to read :

Subdivision 1. [MILK; SKIM MILK; LOWFAT MILK; FLUID MILK PRODUCTS; GOAT MILK.] Milk is defined as the whole, fresh, clean lacteal secretion, practically free from colostrum, obtained by the complete milking of one or more healthy cows. When prepared for market in (FLUID) *final package form for beverage use*, milk shall contain not less than (8.25) 8.7 percent milk solids-not-fat and not less than 3.25 percent of milk fat. The name “milk”, unqualified, means cow's milk.

Skim milk is milk from which milk fat has been removed so that its milk fat content is less than .25 percent. Skim milk in final package form for beverage use must contain at least nine percent milk solids-not-fat, for a total of at least 9.25 percent milk solids. Skim milk may be homogenized.

Lowfat milk is milk from which milk fat has been removed so that its milk fat content is either one or two percent, within limits of good manufacturing practices. Lowfat milk in final package form for beverage use must contain at least ten percent milk solids-not-fat. Lowfat milk may be homogenized.

Milk solids-not-fat may be added to fluid milk products to meet the above standards from the following sources: partially-skimmed milk, skim milk, concentrated partially-skimmed milk, concentrated skim milk, and nonfat dry milk, used alone or in any combination.

“Milk solids-not-fat” is the portion of a milk product that is not water and is not fat as determined by procedures outlined in Standard Methods For The Examination Of Dairy Products (fifteenth edition).

Fluid milk products shall be taken to mean and include cream, sour cream, half and half, reconstituted half and half, concentrated milk, concentrated milk products, skim milk, nonfat milk, chocolate flavored milk, chocolate flavored drink, chocolate flavored reconstituted milk, chocolate flavored reconstituted drink, buttermilk, cultured buttermilk, cultured milk, vitamin D milk, reconstituted or recombined milk, reconstituted cream, reconstituted skim milk, homogenized milk, and any other fluid milk product made by the addition of any substance to milk or to any of the above enumerated fluid milk products, when the same is declared to be a fluid milk product by rule or regulation promulgated by the commissioner.

Goat milk is a whole, fresh, clean lacteal secretion free from colostrum, obtained by the complete milking of one or more healthy goats.

Sec. 2. [EFFECTIVE DATE.]

This act is effective on the first day of the third month after the governor certifies by executive order published in the State Register that all states in which processors licensed in Minnesota sell milk have in effect content requirements identical to those in section 1.”

Delete the title and insert:

“A bill for an act relating to agriculture; defining certain kinds of milk; amending Minnesota Statutes 1984, section 32.391, subdivision 1.”

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1842, A bill for an act relating to agriculture; removing the liability of persons who buy farm products; repealing the notification and registration system for security interests in farm products; amending Minnesota Statutes 1985 Supplement, section 336.9-307; repealing Laws 1985, chapter 233, sections 1 to 6.

Reported the same back with the following amendments:

Page 2, line 11, delete "*September 1, 1986*" and insert "*on the day following final enactment*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 1865, A bill for an act relating to criminal procedure; providing for in camera hearings on certain evidentiary issues in criminal sexual conduct cases; amending Minnesota Statutes 1984, section 609.347, subdivision 4.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1877, A bill for an act relating to taxation; authorizing the commissioner of revenue to make payments of police and fire aids directly to qualified recipients; clarifying the business license clearance requirements and removing the sunset; changing the dates for payments of property tax credits to the counties; clarifying the use of mortgage registration and deed tax receipts; clarifying the power of the counties to print deed tax stamps; and authorizing the commissioner of public safety to enter into reciprocal fuel tax compacts; amending Minnesota Statutes 1984, sections 69.021, subdivisions 4, 5, 7, and 9; 69.031, subdivision 3; 270.72, subdivisions 1, 2, and 3; 273.1391, subdivision 3; and 296.17, subdivision 6, and by adding a subdivision; and Minnesota Statutes 1985 Supplement, sections 69.031, subdivision 1; 273.136; 287.12; and 287.29, subdivision 1; and Laws 1985, first special session chapter 14, article 11, section 13; re-

pealing Minnesota Statutes 1984, sections 69.031, subdivision 4; and 270.72, subdivision 5.

Reported the same back with the following amendments:

Page 6, line 22, reinstate the stricken "to the"

Page 6, line 23, after the stricken language, insert "*commissioner of revenue*"

Page 7, line 27, after "*taxes*" insert "*pursuant to section 270.10, subdivision 4, either for the entity for which the license is at issue or for another entity for which the liability was incurred, or for himself as a licensee*"

Page 8, after line 7, insert:

"Sec. 10. Minnesota Statutes 1984, section 273.072, subdivision 1, is amended to read:

Subdivision 1. Any county and any city or town lying wholly or partially within the county and constituting a separate assessment district may, by agreement entered into under section 471.59 and approved by the commissioner of revenue, provide for the assessment of property in the municipality or town by the county assessor. Any two or more cities or towns constituting separate assessment districts, whether their assessors are elective or appointive, may enter into an agreement under section 471.59 for the assessment of property in the contracting units by the assessor of one of the units or by an assessor who is jointly employed.

Sec. 11. Minnesota Statutes 1985 Supplement, section 273.124, subdivision 5, is amended to read:

Subd. 5. [CONTINUING CARE FACILITIES.] When a building containing several dwelling units is owned by an entity which is regulated under the provisions of chapter 80D and operating as a continuing care facility enters into residency agreements with persons who occupy a unit in the building and the residency agreement entitles the resident to occupancy in the building after personal assets are exhausted and regardless of ability to pay the monthly maintenance fee, homestead classification shall be given to each unit so occupied and the entire building shall be assessed in the manner provided in subdivision (1) § for cooperatives and charitable corporations.

Sec. 12. Minnesota Statutes 1985 Supplement, section 273.124, subdivision 6, is amended to read:

Subd. 6. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject

to the provisions of chapter 317 or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, homestead treatment may be claimed for each dwelling unit occupied by a member of the cooperative. To qualify for the treatment provided by this subdivision, the following conditions must be met: (a) the cooperative association must be organized under sections 308.05 to 308.18; (b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years; (c) the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property when it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale; and (d) if a limited partnership owns the property, it must include as the managing general partner either the cooperative association or a nonprofit organization operating under the provisions of chapter 317. Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision (1) 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

Sec. 13. Minnesota Statutes 1985 Supplement, section 273.-124, subdivision 8, is amended to read :

Subd. 8. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm is entitled to class (1) *1b or class 2a* assessment for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Homestead treatment applies even if legal title to the property is in the name of the corporation or partnership and not in the name of the person residing on it. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership must also be assessed as class (1) *1b or class 2a* property, but the property eligible is limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and does not include any other structures that may be located on it.

Sec. 14. Minnesota Statutes 1985 Supplement, 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 on June 1 of a year, constitutes class 1 or class 2a to the extent of one-half of the valuation that would have been includable in 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 pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision.

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.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 15. Minnesota Statutes 1985 Supplement, section 273.124, subdivision 10, is amended to read:

Subd. 10. [REAL ESTATE PURCHASED FOR OCCUPANCY AS A HOMESTEAD.] Real estate purchased for occupancy as a homestead must be classified as class 1 or class 2a if the purchaser is prevented from obtaining possession on January 2 next following the purchase by reason of federal or state rent control laws or regulations.

Sec. 16. Minnesota Statutes 1985 Supplement, section 273.124, subdivision 11, is amended to read:

Subd. 11. [LIMITATION ON HOMESTEAD CLASSIFICATION.] If the assessor has classified a property as both homestead and nonhomestead, the greater of the value attributable to the portion of the property classified as class 1a, 1b, or 2a or the value of the first tier of assessment percentages provided under section 273.13, subdivision 22, paragraph (a) or (b) or subdivision 23, paragraph (a) is entitled to homestead treatment (,

EXCEPT AS PROVIDED IN SUBDIVISION 26 FOR). *The limitation in this subdivision does not apply to buildings containing fewer than four residential units (AND FOR) or to a single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead.*

If the assessor has classified a property as both homestead and nonhomestead, the homestead credit provided in section 273.13, subdivisions 22 and 23, and the reductions in tax provided under sections 273.135 and 273.1391 apply to the value of both the homestead and the nonhomestead portions of the property."

Page 11, line 25, delete "16" and insert "23"

Page 11, line 26, delete "1987" and insert "1986"

Page 11, line 27, delete "16" and insert "23"

Page 11, line 28, delete "and 11" and insert "to 18"

Page 11, line 30, delete "12 to 15" and insert "19 to 22"

Page 11, line 31, delete "17 and 18" and insert "24 and 25"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after "compacts;" insert "making technical changes; allowing agreements for joint assessment in certain cases;"

Page 1, line 14, before "273.1391," insert "273.072, subdivision 1;"

Page 1, line 17, before "273.136;" insert "273.124, subdivisions 5, 6, 8, 9, 10, and 11;"

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1883, A bill for an act relating to agriculture; clarifying the exceptions to prohibition against manufacture of food from adulterated milk or cream; amending Minnesota Statutes 1985 Supplement, section 32.21, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1912, A bill for an act relating to public administration; providing for various town powers; permitting certain sales of public property; providing conditions for contractor's bonds; amending Minnesota Statutes 1984, sections 366.01, subdivision 1; 367.05, subdivision 1; 367.31, subdivision 4; 471.64, subdivision 1; and 624.44; and Minnesota Statutes 1985 Supplement, sections 365.10; and 574.26.

Reported the same back with the following amendments:

Page 3, line 12, delete "*or otherwise regulate the disposal of sewage,*" and insert "*and disposal of household waste and other refuse, consistent with other law*"

Page 3, line 13, delete "*garbage, and other waste or refuse*"

Pages 3 and 4, delete section 3

Pages 6 and 7, delete section 7

Renumber the sections in order

Amend the title as follows:

Page 1, line 6, delete "367.05, subdivision 1;"

Page 1, line 7, after "subdivision 4;" insert "and"

Page 1, line 7, delete "and 624.44;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1915, A bill for an act relating to state government; clarifying the definition of "rule" in the administrative procedure act; assigning additional duties to the legislative commission to review administrative rules; amending Minnesota Statutes 1985 Supplement, sections 14.02, subdivision 4; and 14.40.

Reported the same back with the following amendments:

Page 2, after line 12, insert:

“Sec. 2. [14.121] [SUSPENSION OF PROCEDURES.]

When compliance with the rulemaking provisions of the administrative procedure act would result in a denial of funds or services from the United States government that would otherwise be available to the state, upon written request of an agency, the attorney general, by order, may suspend one or more of the rulemaking provisions of the administrative procedure act. The written request must contain a full explanation of the grounds for the request, and a copy of the request must be sent to persons who have requested to be notified of agency rulemaking actions under section 14.14, subdivision 1a, at the time the request is provided to the attorney general. An order must suspend the minimum number of portions of the administrative procedure act for the minimum time necessary to avoid a denial of federal funds or services. The attorney general must issue an order terminating the suspension as soon as the suspension is no longer necessary to prevent the loss of funds or services from the United States government. The issuance of an order under this section is not subject to chapter 14, except as specifically provided in this section.

Before issuing an order suspending provisions of the administrative procedure act, the attorney general must notify the legislative commission to review administrative rules. The notification must include any comments received from members of the public. If any of the rulemaking provisions of the administrative procedure act are suspended under this section, the attorney general shall promptly publish the order of suspension in the state register and report the suspension to the legislative commission to review administrative rules.

Any suspension issued under this section shall apply only to the agency requesting the suspension and only to the rules required to be adopted, amended, suspended, or repealed. An agency that receives a suspension order or an order terminating a suspension from the attorney general must immediately publish notice of the suspended or reinstated portions of the administrative procedure act in the state register and give immediate notice to all persons whose names are registered with the agency to receive rulemaking notices.”

Page 3, line 20, delete “publish” and insert “submit” and delete “in” and insert “to”

Page 3, line 26, delete “publish” and insert “submit”

Page 3, line 27, delete “in” and insert “to”

Renumber the sections accordingly

Amend the title as follows :

Page 1, line 7, after "14.40" insert " ; proposing coding for new law in Minnesota Statutes, chapter 14"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred :

H. F. No. 1947, A bill for an act relating to solid waste; prohibiting the pollution control agency from issuing solid waste processing permits to certain facilities; amending Minnesota Statutes 1984, section 116.07, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete lines 10 to 13, and insert :

"Subd. 4j. [PERMITS; TRANSFER STATIONS.] The agency may not issue a permit for a new solid waste transfer station within one-quarter mile of a food warehousing or a major food processing facility, unless the owner of the warehousing or processing facility consents."

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred :

H. F. No. 2023, A bill for an act relating to elections; changing certain procedures in absentee voting; increasing minimum number of election judges in certain precincts; changing certain official ballots for judicial candidates; requiring vendor bonds for certain voting systems; requiring public notice and demonstration for new voting equipment; authorizing standard ballot format; limiting number of ballots at single counting centers; amending Minnesota Statutes 1984, sections 203B.08, subdivisions 1a and 3a; 204B.22, by adding a subdivision; 204B.36, subdivision 4; 204D.14, subdivision 2; 206.56, by adding a subdivision; 206.57, by adding a subdivision; 206.58, subdivision 1; 206.82, by adding a subdivision; 206.84, subdivision 3; and 206.85, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2064, A bill for an act relating to elections; providing for postponement of precinct caucuses in case of inclement weather; amending Minnesota Statutes 1984, section 202A.14, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 202A.14, subdivision 1, is amended to read:

Subdivision 1. [TIME AND MANNER OF HOLDING; POSTPONEMENT.] At 8:00 p.m. on the third Tuesday in March in every state general election year there shall be held for every election precinct a party caucus in the manner provided in sections 202A.14 to 202A.19, *except that in the event of severe weather a major political party may request the secretary of state to postpone caucuses. After consultation with all major political parties and on the advice of the federal weather bureau and the department of transportation the secretary of state may declare precinct caucuses to be postponed for a week in counties where weather makes travel especially dangerous. The secretary of state shall submit a notice of the postponement to news media covering the affected counties by six o'clock p.m. on the scheduled day of the caucus. A postponed caucus may also be postponed pursuant to this subdivision.*

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2075, A bill for an act relating to elections; recodifying and clarifying the laws on election contests; amending Minnesota Statutes 1984, sections 209.01; 209.02; 209.03; 209.-

05; 209.06; 209.07; 209.09; 209.10; and 209.12; proposing coding for new law in Minnesota Statutes, chapter 209; repealing Minnesota Statutes 1984, sections 209.02, subdivisions 2, 3, 4, 4a, 5, 6, 7, and 8; 209.04; and 209.11.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2095. A bill for an act relating to economic development; rural development; establishing a mineral resources program; establishing a community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the department of energy and economic development; establishing the rural development council; establishing the rural development revolving fund program; establishing the state supplemental education grant program; adding criteria for allocation of private activity bonds and available insurance authority; appropriating money; amending Minnesota Statutes 1984, sections 116.16, subdivision 5; 116J.61; 116J.873, subdivision 1; and 462.384, subdivision 7; Minnesota Statutes 1985 Supplement, sections 116.16, subdivision 2; 116M.06, subdivision 3; 474.19, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 84, 116J, and 136A; and repealing Minnesota Statutes 1985 Supplement, sections 116.18, subdivision 3a; 116J.951; 116J.955; 116J.961; and 116J.965.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [84.95] [MINERAL RESOURCES PROGRAM.]

Subdivision 1. [FINDINGS.] The legislature finds that there has been a disinvestment in mineral and timber resources of the state. To provide a diversified economic base in the state, it is necessary to stimulate investment in the state's natural resources. Mineral exploration by the private sector must be encouraged and assisted. The long-term health of the state will be aided by a diverse state economy that includes productive natural resource industries. A forestry management plan is already mandated. The great benefits from the state's mineral resources will not be realized without state stimulation of investment, which can be achieved through a program coordinated by the department of natural resources to accelerate geologic mapping and mineral deposit evaluation and to provide analytical support

to the mineral and timber industries. This participation by the state will lead to active participation by private industry in healthy Minnesota timber and mineral resources industries.

Subd. 2. [PROGRAM.] The commissioner of natural resources shall coordinate a program, in cooperation with the Minnesota geological survey, the Minnesota Resources Research Center, the Natural Resources Research Institute, and other available facilities, to:

- (1) accelerate geological mapping of the state;*
- (2) accelerate evaluation of the state's mineral potential and other natural resources; and*
- (3) provide analytical support for participants in the mineral industry.*

Sec. 2. Minnesota Statutes 1985 Supplement, section 116.16, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section and sections 116.17 and 116.18:

- (1) Agency means the Minnesota pollution control agency created by this chapter;**
- (2) Municipality means any county, city, and town, the metropolitan waste control commission established in chapter 473 and the metropolitan council when acting under the provisions of that chapter or an Indian tribe or an authorized Indian tribal organization, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state;**
- (3) Pollution control fund means the Minnesota state water pollution control fund created by subdivision 1;**
- (4) Bond account means the Minnesota state water pollution control bond account created in the state bond fund by section 116.17, subdivision 4;**
- (5) Terms defined in section 115.01 have the meanings therein given them;**
- (6) The eligible cost of any municipal project, except as otherwise provided in clauses (7) and (8), includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings,**

specifications, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension of disposal systems; (e) inspection and supervision of construction; and (f) all other expenses of the kinds enumerated in section 475.65.

(7) For state (INDEPENDENT GRANT AND) matching grant purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal Water Pollution Control Act, as amended, United States Code, title 33, section 1314, et seq.

(8) NOTWITHSTANDING CLAUSE (7), FOR STATE GRANTS UNDER THE STATE INDEPENDENT GRANTS PROGRAM, THE ELIGIBLE COST INCLUDES THE ACQUISITION OF LAND FOR STABILIZATION PONDS, THE CONSTRUCTION OF COLLECTOR SEWERS FOR TOTALLY UNSEWERED STATUTORY AND HOME RULE CHARTER CITIES AND TOWNS DESCRIBED UNDER SECTION 368.01, SUBDIVISION 1 OR 1A, THAT ARE IN EXISTENCE ON JANUARY 1, 1985, AND THE PROVISION OF RESERVE CAPACITY SUFFICIENT TO SERVE THE REASONABLE NEEDS OF THE MUNICIPALITY FOR 20 YEARS IN THE CASE OF TREATMENT WORKS AND 40 YEARS IN THE CASE OF SEWER SYSTEMS. NOTWITHSTANDING CLAUSE (7), FOR STATE GRANTS UNDER THE STATE INDEPENDENT GRANTS PROGRAM, THE ELIGIBLE COST DOES NOT INCLUDE THE PROVISION OF SERVICE TO SEASONAL HOMES, OR COST INCREASES FROM CONTINGENCIES THAT EXCEED THREE PERCENT OF AS-BID COSTS OR COST INCREASES FROM UNANTICIPATED SITE CONDITIONS THAT EXCEED AN ADDITIONAL TWO PERCENT OF AS-BID COSTS.)

Sec. 3. Minnesota Statutes 1984, section 116.16, subdivision 5, is amended to read:

Subd. 5. [RULES.] ((A)) The agency shall promulgate permanent rules and may promulgate emergency rules for the administration of grants and loans authorized to be made from the fund or from federal funds under the Federal Water Pollution Control Act, as amended, which rules, however, shall not be applicable to the issuance of bonds by the commissioner of finance as provided in section 116.17. The rules shall contain as a minimum:

- (1) procedures for application by municipalities;
- (2) conditions for the administration of the grant or loan;
- (3) criteria for the ranking of projects in order of priority for grants or loans, based on factors including the extent and

nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multi-municipal systems; and

(4) such other matters as the agency and the director find necessary to the proper administration of the grant program.

((B) EXCEPT AS OTHERWISE PROVIDED IN SECTIONS 116.16 TO 116.18, THE RULES FOR THE ADMINISTRATION OF STATE INDEPENDENT GRANTS MUST COMPLY, TO THE EXTENT PRACTICABLE, WITH PROVISIONS RELATING DIRECTLY TO PROTECTION OF THE ENVIRONMENT CONTAINED IN THE FEDERAL WATER POLLUTION CONTROL ACT, AS AMENDED, AND REGULATIONS AND GUIDELINES OF THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY PROMULGATED UNDER THE ACT, EXCEPT PROVISIONS REGARDING ALLOCATION CONTAINED IN SECTION 205 OF THE ACT AND REGULATIONS AND GUIDELINES PROMULGATED UNDER SECTION 205 OF THE ACT. THIS PROVISION DOES NOT REQUIRE APPROVAL FROM FEDERAL AGENCIES FOR THE ISSUANCE OF GRANTS OR FOR THE CONSTRUCTION OF PROJECTS UNDER THE STATE INDEPENDENT GRANTS PROGRAM.)

Sec. 4. [116K.15] [INDEPENDENT WASTEWATER TREATMENT GRANTS.]

Subdivision 1. [AMOUNTS.] The state planning agency may award independent grants to municipalities for projects for 50 percent or, if the pollution control agency requires advanced treatment, 65 percent of the eligible cost of construction of wastewater treatment facilities. The agency may award independent grants for up to an additional 30 percent or, if the pollution control agency requires advanced treatment, up to an additional 25 percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship. The amounts of the additional grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. For grants made under this section, the eligible cost is as determined by the United States Environmental Protection Agency under the Federal Water Pollution Control Act, as amended, United States Code, title 33, section 1314, et seq., except that eligible cost also includes the acquisition of land for stabilization ponds and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. The eligible cost does not include the provision of collector sewers as defined in pollution control agency rules, the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an addi-

tional two percent of as-bid costs. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

Subd. 2. [RULES.] The agency shall make rules for the administration of grants under this section. The rules must contain:

- (1) procedures for application by municipalities;*
- (2) conditions for the administration of the grant; and*

(3) criteria for the ranking of projects in order of priority for grants, based on factors including the impact on economic development, the extent and nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multimunicipal systems.

Except as otherwise provided, the rules for the administration of state independent grants must comply, to the extent practicable, with provisions relating directly to protection of the environment contained in the federal Water Pollution Control Act, as amended, and regulations and guidelines of the United States Environmental Protection Agency promulgated under the act, except provisions regarding allocation contained in section 205 of the act and regulations and guidelines promulgated under section 205 of the act. This provision does not require approval from federal agencies for the issuance of grants or for the construction of projects under the state independent grants program.

Subd. 3. [FURTHERANCE OF ECONOMIC DEVELOPMENT.] Up to ten percent of the money to be awarded as grants under this section in any single fiscal year must be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements.

Subd. 4. [REIMBURSEMENT GRANTS.] Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the agency may commit in any single fiscal year is equal to the amount newly appropriated to the state grants programs for that year.

Sec. 5. [116N.01] [CITATION.]

Sections 6 to 16 may be cited as the "greater Minnesota corporation act."

Sec. 6. [116N.02] [LEGISLATIVE FINDINGS AND PURPOSE.]

The legislature finds that an economic crisis exists in portions of Minnesota that is threatening the economic health of the entire state. Unemployment caused by the decline of major industries is inflicting great hardship on individuals, destroying communities, and straining the financial resources of the entire state.

The legislature further finds that the most appropriate means to confront the economic crisis is to establish a public corporation with a board of directors consisting of statewide leaders representing business, finance, government, education, and labor that has broad authority to promote economic recovery in distressed areas and to provide incentives for manufacturing and industrial enterprises to locate in these areas.

The legislature further finds that the establishment of a greater Minnesota fund for use by the corporation to accomplish its objectives is necessary to achieve economic recovery for all of Minnesota.

Sec. 7. [116N.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to chapter 116N.

Subd. 2. [BOARD.] "Board" means the board of directors of the greater Minnesota corporation.

Subd. 3. [CORPORATION.] "Corporation" means the greater Minnesota corporation established by section 8.

Subd. 4. [ECONOMIC ASSISTANCE AREA.] "Economic assistance area" means an area composed of each county or standard metropolitan statistical area which meets one of the following conditions:

(1) it has an average unemployment of 8.5 percent for the one-year period ending December 31, 1985, or ending on December 31 of the calendar year immediately preceding the year the designation is made; or

(2) 20 percent or more of its economy, as determined by the commissioner of agriculture, is dependent upon agriculture; or

(3) it contains an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3).

Subd. 5. [FUND.] "Fund" means the greater Minnesota fund established by section 13.

Subd. 6. [PROJECT.] "Project" means any undertaking involving real or personal property connected with or a part of an industrial, distribution, manufacturing, or research facility that is to be acquired, constructed, improved, or equipped with assistance furnished under the authority of sections 6 to 16, or any combination of them.

Sec. 8. [116N.04] [CORPORATION CREATED; BOARD OF DIRECTORS; PURPOSE AND DUTY.]

Subdivision 1. [CREATION; NAME.] The greater Minnesota corporation, a public corporation and political subdivision of the state of Minnesota, is created. The corporation is not a state agency under chapters 14, 15, or for any other purpose. All business of the corporation must be conducted under its name.

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 15 directors who shall be unanimously appointed by the governor, the speaker of the house of representatives, and the senate majority leader. Terms and removal of members of the board are as provided in section 15.059. One director must be appointed from each of the state's congressional districts. Directors shall serve without compensation but shall receive their necessary and actual expenses while engaged in the business of the corporation. Directors shall be considered public officials for the purposes of section 10A.07.

Subd. 3. [PURPOSE AND DUTIES.] It is the purpose and duty of the corporation to promote economic development in the economic assistance area to provide incentives for the expansion of existing and location of new manufacturing, research, distribution, and industrial facilities within the economic assistance area by the means provided under sections 6 to 16.

Subd. 4. [ARTICLES AND BYLAWS.] The board of directors shall adopt articles of incorporation and bylaws necessary for the conduct of the business of the corporation, consistent with the provisions of this chapter.

Subd. 5. [PLACES OF BUSINESS.] The board shall locate and maintain the corporation's places of business within the state.

Subd. 6. [MEETINGS AND ACTIONS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving whatever notice the bylaws of the corporation might provide. Board meetings are not subject to the provisions of section 471.705.

Sec. 9. [116N.05] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] The board shall appoint and set the compensation for a president and may appoint sub-

ordinate 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 and agents as the president deems necessary. The board shall define the duties and designate the titles of the employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the state retirement plan for employees in the unclassified service.

Sec. 10. [116N.06] [CORPORATE POWERS.]

The corporation shall have all powers necessary to accomplish the purposes of sections 6 to 16 within the economic assistance area, including, but not limited to, the power:

(1) to incorporate as and exercise the powers of a nonprofit corporation pursuant to chapter 317 in a manner consistent with the provisions of sections 6 to 16;

(2) to make and alter bylaws for its organization and internal management and, subject to agreements with noteholders or bondholders, to make rules and regulations with respect to its projects, operations, properties, and facilities;

(3) to make and execute contracts with any private or public entity, including joint power agreements pursuant to section 471.59;

(4) to hire employees, prescribe their duties and qualifications, fix their compensation, and engage the services of legal, financial, technical, and other professionals;

(5) to acquire or contract to acquire from any person, firm, corporation, municipality, federal or state agency, by grant, purchase, condemnation or otherwise, leaseholds, or any interest in real, personal, or mixed property; to own, hold, clear, improve, and rehabilitate, and to sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber the property;

(6) to acquire, construct, reconstruct, rehabilitate, improve, alter, repair, or provide for the construction, reconstruction, improvement, alteration, or repair of any project;

(7) to sell, lease, assign, transfer, convey, exchange, mortgage, or otherwise dispose of or encumber any project, and in the case of the sale of any project, to accept a purchase money mortgage in connection with it; and to lease, repurchase, or otherwise acquire and hold any project which the corporation

has before sold, leased, or otherwise conveyed, transferred, or disposed of;

(8) to grant options to purchase any project or to renew any leases entered into by it in connection with any of its projects, on the terms and conditions it may deem advisable;

(9) to lend money, whether secured or unsecured, make grants, purchase, sell, or pledge shares, bonds, or other obligations, or securities, and provide and commit to provide mortgage insurance on terms and conditions the corporation may deem advisable;

(10) to make mortgage loans, including temporary loans or advances, and to undertake commitments for them. Such a commitment or mortgage, or bonds or notes secured by them may contain terms and conditions consistent with sections 6 to 16 as the corporation deems necessary or desirable to secure repayment of its loan, the interest, if any, on it and other charges in connection with it;

(11) subject to the provisions of any contract with note-holders or bondholders, to consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, or any other term of any mortgage, mortgage loan, mortgage loan commitment, contract, or agreement of any kind to which the corporation is a party;

(12) in connection with any property on which it has made a mortgage loan, to foreclose on the property or commence any action to protect or enforce any right conferred upon it by any law, mortgage, contract, or other agreement, and to bid for and purchase the property at any foreclosure or other sale, or acquire or take possession of the property; and then complete, administer, pay the principal of and interest on any obligations incurred in connection with the property, dispose of, and otherwise deal with the property, as desirable to protect the interests of the corporation in it;

(13) to borrow money, to issue its negotiable bonds and notes, and to provide for the rights of their holders pursuant to section 11;

(14) to contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality of it, or from the state or any agency or instrumentality of it, or from any other source, and to comply, subject to sections 6 to 16, with their terms and conditions;

(15) to provide advisory, consultative, training and educational services, technical assistance, and advice to any person,

firm, partnership, or corporation, either public or private, in order to carry out the purposes of sections 6 to 16;

(16) to pay directly to any municipality or to any political subdivision of the state or to the state any taxes, fees, or other charges of any nature that are related to the project and payable by the owner or lessor of the project;

(17) to do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in sections 6 to 16.

Sec. 11. [116N.07] [BONDS OR NOTES OF THE CORPORATION.]

In anticipation of the receipt by the corporation of payments, appropriations, rents and profits, and of income from any source and for the purpose of securing funds as needed by the corporation for purposes authorized by sections 6 to 16, the corporation may issue its bonds or notes or bonds or notes on behalf of the state. The bonds or notes shall be in the amount and form and bear interest at the rate the board of directors shall prescribe. They shall be sold by the corporation to the highest bidder after notice of the time and the place for the receiving of the bids has been published once at least two weeks prior to the date of receiving bids, or at private sale. The bonds shall have dates, denominations, maturities, places of payment, forms, and details as determined by the board of directors. Neither the full faith and credit nor taxing power of the state shall be pledged to any bonds or notes issued under sections 6 to 16.

As security for the payment of the principal of and interest on any bonds issued and any agreements made in connection with them, the corporation shall have the power to mortgage and pledge any or all of its projects, whether owned then or acquired thereafter, and to pledge the revenues and receipts from them or from any of them, and to assign or pledge the lease or leases on any portion or all of the projects and to assign or pledge the income received by virtue of the lease or leases.

Sec. 12. [116N.08] [INTEREST REDUCTION ASSISTANCE.]

To accomplish the purposes of sections 6 to 16, the corporation may:

(1) pay in periodic payments or in a lump sum payment any or all of the interest on loans made pursuant to section 10, clauses (9) and (10);

(2) pay any or all of the interest on bonds issued pursuant to sections 10, clause (13), and 11, or chapter 474; or

(3) pay in periodic payments or in a lump sum payment any or all of the interest on loans made by private lenders.

Sec. 13. [116N.09] [GREATER MINNESOTA FUND.]

Subdivision 1. [CREATION OF FUND.] The greater Minnesota fund is created and shall be administered by the corporation. All money in the fund is appropriated to the corporation to accomplish the corporation's purposes. The corporation may use amounts on deposit in the fund or in separate accounts created therein in furtherance of its purpose and duty and in exercise of the powers granted to it pursuant to sections 6 to 16. The corporation may use the powers granted in sections 6 to 16 and up to 25 percent of any funds deposited in the fund to provide economic assistance pursuant to sections 6 to 16 in any county adjacent to a county contained in the economic assistance area, excluding metropolitan counties as defined in section 473.121, subdivision 4. No portion of the fund may be used for any project the objective of which is to increase tourism or construct recreation facilities. A disbursement from the greater Minnesota fund for a project may be made if the corporation finds that:

(a) *the project is economically sound and will increase opportunities for employment and strengthen the economy of the county in which the project is to be located;*

(b) *the project will not result in encouraging or subsidizing a business already located in Minnesota to move its operations from its current Minnesota location to an economic assistance area;*

(c) *the proposed borrower or grantee is not likely to undertake the proposed project within the economic assistance area without assistance from the corporation;*

(d) *the amount to be made available by the corporation will not exceed 50 percent of the total amount of capital investment in the project, which total capital investment shall not be less than \$500,000.*

Fees, charges, rates of interest, times of payment of interest and principal, security, and other terms, conditions, and provisions of the loans made by the corporation shall be as the corporation determines appropriate and in furtherance of the purpose for which the loans are made. The funds used in making loans shall be disbursed upon order of the board of directors. Proceeds of the corporation's bonds, notes, and other obligations; amounts granted or appropriated to the corporation; income from investment; money in the greater Minnesota fund; and all revenues from loans, fees, and charges of the corporation including rentals, royalties, dividends, or other proceeds are annually appropriated to the corporation for the accomplishment of its

corporate purposes and shall be expended, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the corporation. Notwithstanding section 16A.28, these appropriations are available until expended.

Subd. 2. [REPEAL OF FUND.] The greater Minnesota fund shall remain in existence until June 1, 1990, at which time all unencumbered assets of the fund shall be deposited in the general fund of the state.

Sec. 14. [116N.10] [ACTIVITIES.]

Subdivision 1. [GRANTS.] Pursuant to the powers granted to the corporation under section 10, the corporation may make matching grants for applied research and development to any campus of the University of Minnesota, a state university, a community college, a Minnesota private college or university, or an area vocational technical institute.

Subd. 2. [LOANS.] Pursuant to the powers granted to the corporation under section 10, the corporation may make loans to corporations, partnerships, sole proprietorships, or other business entities for the purpose of promoting development in the state of new products, or processes with potential commercial value.

Sec. 15. [116N.11] [AUDITS.]

The board shall contract with a certified public accounting firm to audit the corporation and any subsidiary annually in accordance with generally accepted accounting standards.

Sec. 16. [116N.12] [REPORTS.]

The corporation shall report to the legislature and the governor on its activities by January 1 of each year. The report must include, at least, a description of projects supported by the fund, an account of all loans and grants made by the fund during the calendar year, the source and amount of all money collected and distributed by the fund, the fund's assets and liabilities, and an explanation of administrative expenses. Reports must be made to the legislature as required by section 3.195.

Sec. 17. [136A.125] [SUPPLEMENTAL GRANTS TO DISPLACED RURAL WORKERS.]

Subdivision 1. [PROGRAM; ELIGIBILITY.] The higher education coordinating board with the assistance of the commissioner of jobs and training shall establish and administer the state supplemental education grant program to assist displaced workers in rural Minnesota areas in paying the costs of attending public post-secondary educational institutions. Only Minnesota

residents who are enrolled in adult farm management programs or enrolled in a program designed to train people for employment are eligible to apply for grants under this section. Applicants shall demonstrate financial need in accordance with policies and procedures established by the board. In developing eligibility policies, the board shall consider criteria for participation in state and federal programs designed to serve economically dislocated workers. The board shall develop policies and procedures for the administration of grants, including the allocation of funds to eligible institutions in accordance with section 136A.101. The development of policies and procedures in accordance with this subdivision is not covered by chapter 14.

Subd. 2. [PART-TIME GRANTS.] Displaced workers in rural Minnesota areas are eligible to be considered for a part-time grant under section 136A.132. In awarding grants during the 1985-1987 biennium, participating post-secondary institutions shall consider the needs of displaced rural workers.

Subd. 3. [PUBLIC INFORMATION.] The board shall provide information to displaced workers in rural areas about post-secondary education opportunities and financial assistance to help them pay for their education, including existing state and federal programs and the state supplemental education grant program. The board shall develop and communicate the information in cooperation with the department of jobs and training, financial aid administrators, the agriculture extension service, and representatives of public and private post-secondary education institutions.

Sec. 18. [SUPPLEMENTAL EDUCATIONAL GRANT PROGRAM FUNDING.]

Up to \$250,000 is available for the state supplemental education grant program established in section 17 from the appropriation in Laws 1985, First Special Session chapter 11, section 3, subdivision 3, for the fiscal year ending June 30, 1987.

Sec. 19. [APPROPRIATION.]

Subdivision 1. [MINERAL RESOURCES PLAN.] \$..... is appropriated from the general fund to the commissioner of natural resources for implementation of section 1, to be available until June 30, 1987.

Subd. 2. [FORESTRY MANAGEMENT.] \$..... is appropriated from the general fund to the commissioner of natural resources for implementation of the forestry management plan required in Minnesota Statutes, section 89.011, and for contracts with counties or groups of counties for county forestry assistance programs, to be available until June 30, 1987.

Sec. 20. [APPROPRIATION.]

\$ is appropriated from the rural rehabilitation revolving fund to the higher education coordinating board for the state supplemental education grant program established in section 17, to be available until expended.

Sec. 21. [APPROPRIATION.]

\$ is appropriated from the rural rehabilitation revolving fund to the greater Minnesota corporation created under section 8. An amount not to exceed \$ may be used in any fiscal year for operating and other expenses of the corporation that are not directly chargeable to any project.

Sec. 22. [REPEALER.]

Minnesota Statutes 1985 Supplement, section 116.18, subdivision 3a, is repealed.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to economic development; rural development; establishing a mineral resources program; providing for time of lease payments for lease of department of natural resources lands; creating a public corporation to promote economic development; providing bonding and other powers to the corporation; establishing the greater Minnesota fund program; establishing the state supplemental education grant program; transferring the independent wastewater treatment grants program to the state planning agency; appropriating money; amending Minnesota Statutes 1984, section 116.16, subdivision 5; Minnesota Statutes 1985 Supplement, section 116.16, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; 116K; and 136A; proposing coding for new law as Minnesota Statutes, chapter 116N; repealing Minnesota Statutes 1985 Supplement, section 116.18, subdivision 3a."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2100, A bill for an act relating to agriculture; state agricultural society; removing the time and geographical restric-

tions on the society's ability to impose certain restrictions on performers at the state fairgrounds; amending Minnesota Statutes 1985 Supplement, section 37.17, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 22, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2123, A bill for an act relating to the city of Bloomington; authorizing the city to impose certain taxes; exempting certain assessed valuation within the city from metropolitan revenue distribution; permitting the city to establish a special taxing district; authorizing the port authority of the city to pledge certain tax revenues to pay certain bonds and permitting it to develop leased land; authorizing development in accordance with the Generic EIS and Generic Indirect Source Permit.

Reported the same back with the following amendments:

Page 1, line 16, delete "*and operation*"

Page 2, line 26, after the comma insert "*but not including direct subsidies to private interests,*"

Page 5, line 13, delete "*and operation*"

Page 5, line 16, after the second "*services*" insert "*, so long as they directly fulfill the requirements of a public purpose as declared in section 1,*"

Page 7, line 24, after the first "*and*" insert "*public*"

Page 7, line 36, after the comma insert "*to directly carry out only the public purpose as declared in section 1,*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 2230, A bill for an act relating to highway traffic regulations; clarifying the evidentiary use of partial alcohol concentration breath tests; amending Minnesota Statutes 1984, section 169.121, subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Levi from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1766, A bill for an act relating to government in this state; providing for its financing, structure, and components; making and reducing appropriations for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; creating, modifying, transferring, and abolishing agencies, boards, and functions; adjusting complements; creating certain funds and changing others; providing for farm relief; making cash flow changes and budget adjustments; setting and adjusting certain aid and mill rate amounts; providing for community emergency response hazardous substance protection; amending Minnesota Statutes 1984, sections 15.01; 15.057; 16A.72; 16B.20, subdivision 1; 16B.50; 17.717, subdivision 6; 25.39, subdivision 4; 41.57, by adding a subdivision; 41A.02, subdivision 15; 41A.05, subdivision 4; 41A.06, subdivision 2; 46.041, subdivision 1; 46.131, subdivision 10; 47.54, subdivision 1; 51A.51, subdivisions 1, 2, 3, and 3a; 52.06, subdivision 1; 53.03, subdivision 6; 56.02; 60A.03, subdivision 6; 60A.14, subdivision 1; 60A.23, subdivision 7; 62E.52, subdivisions 2 and 3; 62E.53, subdivisions 1 and 2; 62E.531, subdivision 2; 79.251, subdivision 1; 84.01, subdivision 3; 84.028, subdivision 3; 84.082; 84.086; 84.54; 85.016; 97.41, subdivision 2; 104.35, subdivisions 2 and 3; 105.40, subdivisions 1 and 2; 112.36, by adding a subdivision; 115A.15, subdivision 5; 115A.912, subdivision 2, and by adding a subdivision; 115B.20, subdivisions 5 and 6; 116.07, by adding a subdivision; 116C.24, subdivision 2a; 116C.25; 116J.01, subdivision 3; 116J.16, subdivisions 1, 2, 4, 5, 6, 7, and 8; 116J.29; 116J.36, subdivision 10; 116J.37, subdivision 6; 116J.401; 116J.402; 116J.403; 116J.404; 116J.405; 116J.406, subdivisions 2, 3, 4, and 5; 116J.58, subdivisions 2 and 3; 116J.60; 116J.63; 116J.66; 116J.68, subdivision 2; 116J.74, subdivision 5; 116J.80, subdivision 6; 116J.873, subdivision 4; 116M.03, subdivision 2, and by adding a subdivision; 116M.05, subdivision 1; 116M.06, subdivisions 4, 7, 8, and 10; 116M.07, subdivision 12; 116M.08, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, 10, 17, 19, 20, and 21; 116M.12, subdivision 6; 121.901, subdivision 2;

124.32, subdivision 1c; 124A.02, subdivision 15; 129B.02, as amended; 129B.04, subdivisions 1a and 2; 129B.041, subdivisions 1 and 4; 129B.05, subdivision 2; 129B.43; 136.14; 136C.07, by adding a subdivision; 136C.13, by adding a subdivision; 136C.35; 138.65; 144.68; 144.69; 160.265, subdivision 1; 161.1419, subdivision 8; 168.67; 169.871, subdivision 5; 176.183, subdivisions 1 and 1a; 176.603; 176.611, subdivision 2; 197.23, subdivision 1; 197.481, by adding subdivisions; 216B.243, subdivision 6; 216B.62, subdivisions 2 and 3; 237.295, subdivisions 1 and 2; 239.10; 240.16, subdivision 5; 256B.042, subdivisions 2 and 3, and by adding subdivisions; 256B.37, by adding a subdivision; 270.067, subdivision 5; 271.01, subdivision 1, and by adding a subdivision; 273.1312, subdivision 1; 273.1314, subdivisions 1 and 16; 273.74, subdivision 5; 290.069, subdivision 1; 296.13; 299D.03, subdivision 5; 301A.07, subdivision 1; 325F.19, subdivision 3; 325F.24, subdivision 3; 326.334, subdivision 7; 349.52, subdivisions 2 and 3; 362A.06; 364.09; 462.384, subdivision 7; 462A.04, subdivisions 1 and 4; 462A.05, subdivisions 15B, 21, and 23; 465.74, subdivisions 1, 4, and 6; 471.992; 471.996; 471.997; 471.9975; 473.448; 480.242, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 15A.081, subdivision 8; 41A.03, subdivision 2; 41A.04, subdivision 4; 41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivision 5; 53.03, subdivision 1; 92.35; 92.36; 110B.02, by adding a subdivision; 110B.08, subdivision 5; 110B.10, subdivision 1; 116J.58, subdivision 4; 116J.951, subdivision 2; 116J.961, subdivisions 1 and 8; 116M.03, subdivision 17; 116M.04, subdivision 8a; 116M.06, subdivision 2; 116M.08, subdivisions 1, 14, and 15; 116M.11, subdivision 1; 116M.12, subdivisions 3 and 4; 124.225, subdivision 7b; 124.245, subdivision 1; 124A.02, subdivision 9; 124A.03, subdivision 1a; 129C.10, subdivision 5; 136C.06; 144.8093, by adding a subdivision; 173.085, subdivision 1; 256.01, subdivisions 2 and 4; 256.74, subdivision 1; 256B.06, subdivision 1; 256B.48, subdivision 6; 256C.26; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 4, 5, 6, and by adding a subdivision; 256D.101, subdivisions 1, 2, and by adding a subdivision; 256D.37, subdivision 1; 268.0122, subdivisions 2, 3, and by adding a subdivision; 268.36; 268.673, subdivision 5; 268.6751, subdivisions 1 and 2; 268.871, subdivision 1; 270A.07, subdivision 1; 273.1314, subdivision 9; 273.74, subdivision 2; 297A.257, subdivisions 1 and 3; 298.28, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 340A.904, subdivision 2; 472.03, subdivision 9, and by adding a subdivision; 472.11, subdivisions 3 and 9; and 472.13; Laws 1979, chapter 280, section 2, as amended; Laws 1985, chapter 19, section 2, subdivisions 1, 2, and by adding a subdivision; chapter 19, section 6, subdivision 6; First Special Session chapter 9, article 1, section 2, subdivision 5; First Special Session chapter 10, section 125; First Special Session chapter 11, section 4, subdivision 3; First Special Session chapter 12, article 1, section 36, subdivision 3; article 2, section 15, subdivision 2; article 3, section 28, subdivision 10; article 4, section 11, subdivision 6; article 5, section 8; article 5, section 10, subdivisions 2 and 4; article 6, section 28, subdivisions 11, 17, and 20; article 8, section 62, subdivisions 2, 3, 4, 6, 8, 9, 13, 14, 15, and 17; article 8, section 63, subdivisions 2 and 3; article 8,

section 64, subdivision 2; article 9, section 3, subdivisions 2 and 3; First Special Session chapter 15, section 23, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 17; 45; 84; 115A; 116J; 116K; 129B; 135A; 144; 216A; 256; 299F; 340A; 462; and 480; repealing Minnesota Statutes 1984, sections 3.351, subdivisions 1, 2, 4, and 5; 3.865; 16B.21, subdivision 2; 17.101, subdivision 2; 17.104; 17.105; 41A.02, subdivisions 2, 3, 9, and 10; 41A.03, subdivision 2; 41A.04, subdivision 2; 41A.07; 84.081; 84.083; 86A.09, subdivisions 1, 2, 3, and 4; 86A.10; 89.014, subdivision 2; 105.40, subdivision 7; 105.71, subdivisions 1, 1a, and 3; 105.72; 105.73; 105.75; 105.76; 105.77; 105.78; 105.79; 112.36, subdivision 4; 115A.07, subdivision 1; 115A.08, subdivisions 1, 2, and 3; 115A.162; 115A.90, subdivision 4; 116J.01, subdivisions 1 and 2; 116J.03; 116J.035; 116J.04; 116J.05; 116J.06, subdivisions 4, 5, 6, 7, 8, 10, 11, 12, and 13; 116J.07; 116J.08; 116J.09; 116J.10; 116J.11; 116J.12; 116J.13; 116J.14; 116J.15; 116J.17; 116J.18; 116J.19, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, and 14; 116J.20; 116J.21; 116J.22; 116J.23; 116J.24; 116J.26; 116J.261; 116J.262; 116J.27; 116J.30, subdivision 5; 116J.31; 116J.315; 116J.32; 116J.33; 116J.34; 116J.35; 116J.36, subdivisions 1, 2, 3, 3a, 3b, 3c, 4, 4a, 5, 7, 8, 8a, 9, and 11; 116J.37, subdivisions 2, 3, 4, 5, and 7; 116J.373; 116J.38; 116J.381; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.873, subdivisions 1, 2, and 3; 116L.01; 116L.02; 116L.03; 116L.04; 116L.05; 116M.01; 116M.02; 116M.03, subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 116M.04, subdivisions 1, 1a, 2, 3, 4, 5, 7, 8, 10, and 11; 116M.05, subdivision 6; 116M.06, subdivisions 1, 6, 11, 12, and 13; 116M.07, subdivisions 1, 3, 5, 6, 7, and 10; 116M.08, subdivisions 13, 16, and 18; 116M.09; 116M.10; 116M.12, subdivisions 1, 2, and 5; 116M.13, subdivisions 1, 2, and 3; 129B.01; 129B.05, subdivision 1; 136.063; 144.66; 144.67; 144A.071, subdivision 5; 161.1419; 174.03, subdivision 7; 177.41; 177.42; 177.43; 177.44; 216B.165, subdivision 2; 270.067, subdivisions 1, 2, 3, and 4; 301A.01, subdivision 1; 402.045; 402.062, subdivision 1; 402.095; 451.09, subdivision 2; 462.375; 462.421, subdivision 21; 462.445, subdivision 8; 462.595; 462A.072; 472.03, subdivision 2; Minnesota Statutes 1985 Supplement, sections 3.303, subdivision 5; 3.351, subdivision 3; 3.875; 13.76; 41A.01; 41A.02, subdivision 7; 41A.03, subdivisions 1 and 3; 41A.04, subdivisions 1 and 3; 41A.08; 86.33, subdivisions 2 and 3; 105.74; 110B.02, subdivision 2; 116J.035, subdivision 3; 116J.19, subdivision 13; 116J.36, subdivision 6; 116J.37, subdivision 1; 116J.94; 116M.03, subdivision 27; 116M.04, subdivisions 6 and 9; 116M.05, subdivision 8; 116M.06, subdivisions 3 and 5; 116M.07, subdivisions 2, 4, 7a, 7b, 7c, 8, 9, 11, and 13; 116M.08, subdivisions 11 and 12; 116M.105; 116M.11, subdivisions 2, 3, and 4; 136.63, subdivision 1b; 178.03, subdivision 5; 267.01; 267.02; 267.03; 267.04; 267.05; 267.06; 268.0111, subdivision 3; 268.66, subdivision 2; 268.89, subdivision 2; 474.17, subdivision 3; Laws 1984, chapter 654, article 2, section 146.

Reported the same back with the following amendments:

Page 16, line 29, strike "COUNCIL ON QUALITY EDUCATION;"

Page 16, line 30, strike "council on quality education"

Page 16, line 31, strike "129B.01" and insert "129B.02"

Page 23, line 34, after "section," insert "section 39, and article 2, section 45"

Page 24, line 4, delete "PRIORITY FOR" and insert "ALLOCATIONS OF"

Page 24, delete line 10 and insert "*purposes identified in section 39 of this article and article 2, section 45, subject to the terms and conditions of those sections, as follows:*

(a) *one-fourth of the excess money for contingency expenditure shall be allocated under the provisions of section 39 of this article.*

(b) *three-fourths of the excess money for contingency expenditure shall be allocated under the provisions of article 2, section 45.*

However, when all of the allocations authorized in section 39 of this article have been made under the terms and conditions of that section, any remaining excess money for contingency expenditure shall be allocated under the provisions of article 2, section 45. Any excess money for contingency expenditure remaining after the full allocations have been made under section 39 of this article and article 2, section 45, subject to the terms and conditions of those sections, shall be allocated in accordance with Minnesota Statutes, section 16A.1541.

Subd. 3. [DETERMINATION BY MAY 30, 1986.] By May 30, 1986, the commissioner of finance shall determine whether sufficient excess money is available to allocate for aid to school districts for 1986 summer programs in accordance with subdivision 2 and section 39.

Sec. 39. [PRIORITIES FOR EXCESS REVENUES.]

Excess money for contingency expenditure allocated pursuant to section 38 for distribution under this section shall be allocated to the following purposes in the following order of priority:"

Page 24, line 15, delete "for nonhandicapped"

Page 24, line 16, delete "pupils"

Page 24, line 28, delete "council on"

Page 24, line 29, delete "quality education"

Page 24, line 30, delete "129B.01" and insert "129B.02"

Page 25, delete lines 29 to 36

Page 26, line 5, delete "38, subdivision 2" and insert "39"

Page 27, line 19, delete "and 39" and insert "39, and 40"

Page 28, line 15, delete "position" and insert "complement"

Page 28, line 44, after "study" delete the period and insert:

"for students in economically depressed areas of the state. The allocation of these funds during the biennium shall not be subject to the rulemaking provisions of chapter 14."

Page 29, delete section 10

Page 30, after line 5, insert:

"Sec. 11. Minnesota Statutes 1984, section 121.495, is amended to read:

121.495 [BASIC SKILLS PROGRAM.]

Subdivision 1. [PURPOSE.] The legislature finds that (1) all children have the right to achieve their full educational potential, and (2) children from all socio-economic backgrounds deserve the opportunity to receive instruction in the basic skills of listening, speaking, reading, writing and computation in order to be able to function politically, economically and socially in a democratic society. Therefore, the purpose of this section is to establish a program providing leadership, technical assistance, and training in basic skills instruction on a regional basis to school districts and nonpublic schools.

Subd. 2. [DEFINITION.] For purposes of this section, "basic skills" means the abilities to listen, speak, read, write and compute.

Subd. 3. [PARTICIPATION.] Any district or nonpublic school may participate in the state basic skills program, *if established under subdivision 4*, if its governing board adopts a resolution affirming basic skills as a priority, designating a local basic skills director, allowing the designated local basic skills director to attend a program of training in the development and maintenance of a high quality basic skills program, and agreeing

to develop a comprehensive basic skills program in accordance with this training. If more districts or nonpublic schools apply than can be served in a particular year, the commissioner shall select participating districts and nonpublic schools. A school district or nonpublic school which participates in the state basic skills program may establish a basic skills advisory committee to assist it in establishing and maintaining a basic skills program. A school district may designate the curriculum advisory committee established pursuant to section 123.741, subdivision 3, as the basic skills advisory committee.

Subd. 4. [REGIONAL DIRECTORS.] The commissioner (SHALL) *may* establish a basic skills section in the department which shall employ a state basic skills director and regional basic skills directors assigned to serve the various educational cooperative service units or portions of those units. The basic skills section shall provide technical assistance to those school districts and nonpublic schools which choose to participate in the state basic skills program. The regional directors, in cooperation with the educational cooperative service units, shall provide training to each local basic skills director in the development and maintenance of high quality basic skills programs according to predetermined criteria of excellence. This technical assistance and training shall cover at least the following: assessment of local basic skills programs, planning a comprehensive basic skills program, alternative methods of implementing a local basic skills program, in-service training of staff in basic skills instruction, assessment of the basic skills needs of pupils, selection of instructional materials, and evaluation of pupils' progress in acquiring basic skills. The department (SHALL) *may* reimburse local basic skills directors for any expenses incurred for travel, lodging and meals in order to participate in basic skills training and (SHALL) *may* reimburse school districts for 50 percent of any wages paid to substitute teachers employed to replace local basic skills directors while they attend basic skills training.

Subd. 5. [IN-SERVICE TRAINING.] Each participating district or nonpublic school shall provide a minimum of 20 hours of in-service training in the instructional process for the basic skills to all teachers who volunteer to participate in the training."

Page 30, after line 11, insert:

"Sec. 13. Minnesota Statutes 1984, section 121.934, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] An advisory council to the state board consisting of 11 members appointed by the governor is hereby established. Membership terms, (COMPENSATION OF MEMBERS), removal of members, and the filling of membership vacancies shall be as provided in section 15.059. The governor is encouraged to solicit the suggestions of the state board,

the governing boards of regional management information centers, and school boards in selecting members of the council.”

Page 51, after line 8, insert :

“Sec. 45. [PRIORITY FOR ADDITIONAL REVENUES.]

Pursuant to article 1, section 38, if the commissioner of finance determines that there is excess money for contingency expenditure, the commissioner shall allocate that portion of the excess money intended for post-secondary education as follows:

Allocate up to \$32,224,600 for fiscal year 1987 in the following maximum amounts:

- (a) to the higher education coordinating board . . . \$ 2,090,100;*
- (b) to the state university board \$ 5,700,300;*
- (c) to the state board for community colleges . . . \$ 2,857,700;*
- (d) to the state board of vocational technical education \$ 5,945,400;*
- (e) to the board of regents of the University of Minnesota \$15,631,100.*

If less than \$32,224,600 of excess money for contingency expenditure is available for the boards named in this clause, the amount available shall be prorated among the boards named in proportion to the maximum amount to be allocated to each board. These amounts are to replace appropriations rescinded pursuant to sections 3, 4, 5, 6, and 7.”

Page 51, delete lines 10 and 11 and insert :

“Subdivision 1. Minnesota Statutes 1984, sections 129B.01 and 129B.05 are repealed.

Subd. 2. Minnesota Statutes 1984, section 136.063 is repealed.

Sec. 47. [EFFECTIVE DATE.]

All sections in this article are effective the day following their final enactment unless a different time is stated in this section. Sections 12, 14, 15, 16, 17, 18, 19, 20, 21, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, and 46, subdivision 1 are effective July 1, 1986.”

Page 51, delete lines 29 to 36

Page 52, delete line 1 and insert :

	"1986 \$	1987 \$	TOTAL \$
General	8,562,700	(3,157,700)	5,405,000
Special Revenue		354,400	354,400
M.S.A.S	(3,554,700)	(3,617,700)	(7,172,400)
C.S.A.H.	(11,453,600)	(11,657,100)	(23,110,700)
Tr. Hwy.	47,692,000	(24,217,200)	23,474,800
Transit Assistance ..	(12,700,309)	(14,000,700)	(26,701,009)
Motor Vehicle Transfer	(561,200)	(868,800)	(1,430,000)
TOTAL	27,984,891	(57,164,800)	(29,179,909)"

Page 52, line 8, delete "\$3,720,800" and insert "\$29,046,391" and delete "\$(\$52,206,500)" and insert "\$(\$53,075,300)"

Page 52, line 20, delete "\$23,205,200" and insert "\$46,000,000"

Page 52, line 21, delete "\$(\$12,563,409)" and insert "\$(\$12,700,309)"

Page 52, line 23, delete "\$(\$1,430,000) 0" and insert "\$(\$561,200) (\$868,800)"

Page 52, line 27, delete "5,074,900 (29,521,200)" and insert "30,430,500 (30,390,000)"

Page 52, line 31, delete "\$21,513,200" and insert "\$46,000,000"

Page 52, line 33, delete "\$(\$1,430,000) 0" and insert "\$(\$561,200) (\$868,800)"

Page 52, line 36, delete "\$20,083,200 (\$14,246,400)" and insert "\$45,438,800 (\$15,115,200)"

Page 52, line 38, delete "\$21,513,200" and insert "\$46,000,000"

Page 53, line 2, delete "\$(\$1,430,000)" and insert "\$(\$561,200)" and delete "0" and insert "\$(\$868,800)"

Page 53, line 12, delete "\$(\$24,486,800)" and insert "0"

Page 53, line 18, after the period insert "The reduction in the first year will be covered by reserves on hand."

Page 53, line 41, delete "(1,217,209)" and insert "(1,354,109)"

Page 53, line 44, delete "(\$12,563,409)" and insert "(\$12,700,309)"

Page 54, line 27, delete "(\$989,700)" and insert "(\$1,126,600)"

Page 54, line 30, delete "(\$10,023,100)" and insert "(\$10,160,000)"

Page 55, after line 54, insert :

"Subd. 9. Transfers

Transfers may be made only once each quarter."

Page 56, after line 12, insert :

"The reduction amount in the general fund in either year may include reductions to the liquor control division and the private detective and protective agency licensing board."

Page 56, after line 37, insert :

"Subd. 3. Reimbursements

A total of \$24,300 for the first year is appropriated from the trunk highway fund for transfer by the commissioner of finance to the general fund on January 1, 1986."

Page 56, after line 39, insert :

"The reduction amount in either year may include reductions to the agricultural protection service."

Page 57, after line 44, insert :

"The reduction in the second year is from the S.R.D.A. fund."

Page 57, after line 45, insert :

“This appropriation is from the special revenue direct appropriation fund.”

\$448,800

Page 57, delete lines 46 and 47

Page 57, line 53, delete “general” and insert “special revenue direct appropriation”

Page 58, delete lines 2 and 3 and insert :

“The appropriation in the second year is from the special revenue direct appropriation fund.”

Page 60, delete lines 20 to 36

Page 61, delete line 1

Page 61, line 3, after “*commissioner*” insert “*that are not deposited in the special revenue fund*”

Page 61, line 5, after “*revenue*” insert “*direct appropriation*”

Page 62, line 4, after “*revenue*” insert “*direct appropriation*”

Page 64, after line 34, insert :

“Sec. 31. Minnesota Statutes 1984, section 51A.51, subdivision 5, is amended to read :

Subd. 5. [MERGER FEE.] At the time of filing with the commissioner of any proposed merger or consolidation plan, the associations proposing so to merge or consolidate shall submit therewith a fee of \$250 (PAYABLE TO THE BANKING DEPARTMENT), which fee shall be paid in equal parts by the associations parties to the proposal.”

Page 66, lines 12 and 18, after “*revenue*” insert “*direct appropriation*”

Page 69, line 15, delete “*SPECIAL*”

Page 69, line 16, delete “*REVENUE*”

Page 69, line 18, after “*revenue*” insert “*direct appropriation*”

Page 73, line 10, after “*revenue*” insert “*direct appropriation*”

Page 73, line 31, delete "and" and insert ". Admission income from the other state-owned sites"

Page 75, lines 9 and 11, after "revenue" insert "direct appropriation"

Page 76, delete lines 20 to 36

Delete page 77

Page 78, delete lines 1 to 14, and insert:

"Sec. 44. Minnesota Statutes 1985 Supplement, section 214.06, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health related licensing boards and all nonhealth 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 health related licensing boards must be credited to the special revenue fund. *Except for fees received by the board of assessors, board of teaching, and peace officer standards and training board, fees received by other nonhealth-related licensing boards must be credited to the special revenue direct appropriation fund.*"

Page 78, line 32, after "revenue" insert "direct appropriation"

Page 79, line 17, after "revenue" insert "direct appropriation"

Page 80, line 13, after "revenue" insert "direct appropriation"

Page 81, lines 7 and 32, after "revenue" insert "direct appropriation"

Page 82, after line 4, insert:

"Sec. 50. Minnesota Statutes 1984, section 237.30, is amended to read:

237.30 [TELEPHONE INVESTIGATION REVOLVING FUND.]

The sum of \$25,000 is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, to establish and provide a revolving fund to be known as the Minnesota Telephone Investigation Fund for the use of the department of public service and of the Attorney General in investigations, valuations, and revaluations under section 237.295. All sums paid by the telephone companies *for investigations, valuations, and revaluations financed from the revolving fund* pursuant to section 237.295 shall be credited to the revolving fund and shall be deposited in a separate bank account and not commingled with any other state funds or moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal year shall be paid into the state treasury and credited to the general fund. The sum of \$25,000 herein appropriated and all subsequent credits to said revolving fund shall be paid upon the warrant of the commissioner of finance upon application of the department or of the attorney general to an aggregate amount of not more than one-half of such sums to each of them, which proportion shall be constantly maintained in all credits and withdrawals from the revolving fund."

Page 82, line 23, after "revenue" insert "direct appropriation"

Page 82, delete lines 24 to 31

Page 83, line 12, after "revenue" insert "direct appropriation"

Page 83, after line 16, insert:

"Sec. 53. Minnesota Statutes 1984, section 299D.03, subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and forfeited bail money, from traffic and motor vehicle law violations, *occurring on road, street, or highway rights-of-way that are not a part of the interstate highway system in Minnesota* and collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of these receipts shall be credited to the general revenue fund of the county. The other five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation

in a nation-wide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) *Subject to section 169.871, subdivision 5, but notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, occurring on road, street, or highway rights-of-way that are not a part of the interstate highway system in Minnesota and collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. Five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the highway user tax distribution fund. Three-eighths of these receipts shall be credited to the general revenue fund of the county.*

(c) *Subject to section 169.871, subdivision 5, all fines and forfeited bail money from traffic and motor vehicle law violations, occurring on roads, streets, or highways that are part of the interstate highway system in Minnesota, including safety violations and violations governing the maximum weight of motor vehicles, and collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. One-fourth of these receipts shall be credited to the general revenue fund of the county. The other three-fourths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund. If a violation occurs in a county and the county attorney prosecutes the offense, and a plea of not guilty is entered, three-eighths of the receipts shall be credited to the general revenue fund of the county. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-fourth of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and the remainder shall be transmitted to the state treasurer as provided in this subdivision."*

Page 83, line 19, delete "FEES AND FINANCES; DISPOSITION" and insert "EXPENSES"

Page 83, line 19, strike "All license"

Page 83, line 21, delete "special revenue"

Page 83, strike lines 20 and 21

Page 84, line 10, before "fund" insert "*direct appropriation*"

Page 84, lines 13 and 16, after "*revenue*" insert "*direct appropriation*"

Page 85, lines 17 and 24, after "*revenue*" insert "*direct appropriation*"

Page 86, lines 2 and 27, after "*revenue*" insert "*direct appropriation*"

Page 87, line 3, after "17.104" add a semicolon

Page 87, line 4, delete "and" and before the comma insert " ; 19.64, subdivision 5; and 42.06, subdivision 4"

Page 87, line 12, delete "*section 61, subdivision 1, is*" and insert "*sections 19; 20; 21; 23; 24; 25; 26; 27; 28; 29; 30; 31; 32; 33; 34; 35; 36; 37; 38; 39; 42; 44; 45; 46; 47; 48; 49; 51; 52; 54; 55; 56; 57; 58; 59; 60; and 62, subdivision 1, are*"

Page 87, after line 13, insert:

“ARTICLE 3A

SPECIAL REVENUE DIRECT APPROPRIATION FUND

Section 1. Laws 1985, First Special Session chapter 10, section 1, is amended to read:

Section 1. [TRANSPORTATION AND OTHER AGENCIES; 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 "1985", "1986", and "1987", where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1985, June 30, 1986, or June 30, 1987, respectively.

SUMMARY BY FUND

	1985	1986	1987	TOTAL
	\$	\$	\$	\$
General	4,000,000	76,800,700	(76,955,700)	157,756,400

57,513,200

74th Day] MONDAY, FEBRUARY 24, 1986 5925

Special	420,000	434,700	854,700
S.R.D.A.		19,442,500	
Airports	11,175,100	10,445,900	21,621,000
M.S.A.S.	59,500,000	61,900,000	121,400,000
C.S.A.H.	182,500,000	189,300,000	371,800,000
Tr. Hwy.	627,240,300	625,344,700	1,252,585,000
Hwy. User ...	12,793,700	10,651,200	23,444,900
Transit Assistance .	17,700,300	19,000,700	36,701,000
Motor Vehicle Transfer ...	860,300	868,800	1,729,100
TOTAL	4,000,000	988,990,400	994,901,700
			1,987,892,100

Minnesota Statutes, section 16A.15, subdivision 1, clause (b), does not apply to appropriations made from the special revenue direct appropriation fund in sections 1 to 28.

Sec. 2. Laws 1985, First Special Session chapter 10, section 4, subdivision 1, is amended to read:

Sec. 4. PUBLIC SAFETY

Subdivision 1. Total
Appropriation 78,723,900 75,672,200

	1986	1987
Approved Complement—	1,666.4	1,666.4
General—	354.2	(354.2)
		334.2
Special—	1.0	1.0
<i>Special Revenue Direct Appropriation—</i>	0	20

Trunk		
Highway—	1,059.3	1,059.3
Highway User—	177.6	177.6
Federal—	40.3	40.3
Internal Service—	34.0	34.0

The above approved complement includes 511 for state-funded, unclassified patrol officers and supervisors of the state patrol. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section, provided that the above complement must be reduced accordingly.

No new state patrol supervisory positions may be established, with the exception of special duty assigned ranks for the length of assignment only.

Summary by Fund

General

\$17,513,400 (\$17,693,000)

\$16,993,400

Special Revenue Direct Appropriation

0 \$ 699,600

Trunk Highway

\$48,766,800 \$47,578,000

Highway User

\$12,443,700 \$10,401,200

The amounts that may be spent from this appropriation for each program

are specified in the following subdivisions.

Sec. 3. Laws 1985, First Special Session Chapter 10, section 4, subdivision 9, is amended to read:

Subd. 9. Liquor Control

\$ 644,200 \$ 638,500

During the biennium ending June 30, 1987, the liquor control program must concentrate its activities along the border areas of Minnesota.

The appropriation the second year is from the special revenue direct appropriation fund.

Sec. 4. Laws 1985, First Special Session chapter 10, section 4, subdivision 10, is amended to read:

Subd. 10. Ancillary Services

(\$ 789,400) (\$ 855,900)

Summary by Fund

General

\$ 789,400 \$ 794,800

Special Revenue

Direct Appropriation

0 \$ 61,100

\$729,400 the first year and \$794,800 the second year is for the crime victims reparations board. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

\$60,000 the first year and \$61,100 the second year is for the expenses of the Private Detective and Protective Agency Licensing Board. *The appropriation the second year is from the special revenue direct appropriation fund.*

The commissioner may enter into agreements to lease-purchase equipment only after presenting a report detailing all the equipment and the terms of the agreements to the chairs of the house appropriations committee and the senate finance committee. The commissioner may not spend any money unless the chairs have made their recommendations. Recommendations are advisory only.

Sec. 5. Laws 1985, First Special Session chapter 10, section 4, subdivision 11, is amended to read:

Subd. 11. 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 above programs within a fund. *The commissioner with the approval of the commissioner of finance may transfer unencumbered balances from the special revenue direct appropriation fund among the programs. The commissioner with the approval of the commissioner of finance may transfer unencumbered balances from the general fund to the liquor control division or the private detective and protective agency licensing board.* Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 6. Laws 1985, First Special Session chapter 10, section 5, subdivision 1, is amended to read:

Sec. 5. AGRICULTURE

Subdivision 1. Total		
Appropriation	16,233,200	16,537,300
	1986	1987
Approved		
Complement—	487.8	487.8

General—	255.3	134.90
Special/Revolving—	216.5	216.50
<i>Special Revenue Direct Appropriation</i>	0	120.40
Federal—	16	16

Summary by Fund

General

\$16,040,800 (\$16,338,700)

\$12,295,200

Special

\$ 192,400 \$ 198,600

*Special Revenue Direct
Appropriation*

0 \$ 4,043,500

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Sec. 7. Laws 1985, First Special Session chapter 10, section 5, subdivision 2, is amended to read:

Subd. 2. Agricultural Protection Service

\$ 4,056,700 \$4,043,500

The appropriation the second year is from the special revenue direct appropriation fund.

\$1,843,300 the second year is appropriated from the general fund for transfer by the commissioner of finance to the special revenue direct appropriation fund to support appropriations from the special revenue direct appropriation fund that are not fully supported by income from fees.

\$20,000 the first year is for the establishment of an apiary inspection program to locate and eradicate tracheal mite infestations. The commissioner is authorized to employ seasonal apiary inspectors for this purpose. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

Sec. 8. Laws 1985, First Special Session chapter 10, section 5, subdivision 6, is amended to read:

Subd. 6. Transfers

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. *The commissioner with the approval of the commissioner of finance may transfer unencumbered balances from the special revenue direct appropriation fund among the programs. The commissioner with the approval of the commissioner of finance may transfer unencumbered balances from the general fund to the agricultural protection service.* Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 9. Laws 1985, First Special Session chapter 10, section 7, is amended to read:

Sec. 7. COMMERCE

Subdivision 1. Total				
Appropriation			8,311,700	8,335,900
	1986	1987		
Approved				
Complement—	225	225		
General—	222	0		
<i>Special Revenue Direct</i>				
<i>Appropriation—</i>	0	222		
Special	3	3		

Summary by Fund

General

\$ 8,084,100 (\$ 8,099,800)

0

*Special Revenue Direct
Appropriation*

0 \$ 8,099,800

Special

\$ 227,600 \$ 236,100

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Financial Examinations

\$ 2,730,000 \$ 2,733,000

The appropriation the second year is from the special revenue direct appropriation fund.

Subd. 3. Registration and Licensing

\$ 1,417,600 \$ 1,429,100

Summary by Fund

General

\$ 1,190,000 (\$ 1,193,000)

0

*Special Revenue Direct
Appropriation*

0 \$ 1,193,000

Special

\$ 227,600 \$ 236,100

\$227,600 the first year and \$236,100 the second year is 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.

Subd. 4. Policy Analysis and Insurance

\$ 1,666,500 \$ 1,668,000

The appropriation the second year is from the special revenue direct appropriation fund.

This appropriation includes \$31,200 the first year and \$32,800 the second year for costs associated with the assigned risk plan review board.

Subd. 5. Administrative Services

\$ 1,433,600 \$ 1,440,700

The appropriation the second year is from the special revenue direct appropriation fund.

Subd. 6. Enforcement

\$ 1,064,000 \$ 1,065,100

The appropriation the second year is from the special revenue direct appropriation fund.

Subd. 7. Transfers

The commissioner with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 10. Laws 1985, First Special Session chapter 10, section 8, is amended to read:

Sec. 8. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section (2,860,900) (2,911,900)

Summary by Fund

1986 1987

General

\$ 2,860,900 \$ 1,476,300

Special Revenue Direct Appropriation

0 \$ 1,435,600

Subd. 2. Board of Abstractors 3,800 3,900

The appropriation the second year is from the special revenue direct appropriation fund.

Subd. 3. Board of Accountancy .. 250,300 248,800

The appropriation the second year is from the special revenue direct appropriation fund.

Approved Complement—4

Subd. 4. Board of Architecture, Engineering and Land Surveying 274,100 279,400

The appropriation the second year is from the special revenue direct appropriation fund.

\$152,000 the second year is appropriated from the general fund for transfer by the commissioner of finance to the special revenue direct appropriation fund to support appropriations from the special revenue direct appro-

appropriation fund that are not fully supported by income from fees.

Approved Complement—5

Subd. 5. Board of Barber Examiners	119,100	120,300
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The appropriation the second year is from the special revenue direct appropriation fund.

Approved Complement—3

Subd. 6. Board of Boxing	48,800	49,200
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The appropriation the second year is from the special revenue direct appropriation fund.

\$37,800 the second year is appropriated from the general fund for transfer by the commissioner of finance to the special revenue direct appropriation fund to support appropriations from the special revenue direct appropriation fund that are not fully supported by income from fees.

Approved Complement—1.5

Subd. 7. Board of Electricity	734,200	734,000
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The appropriation the second year is from the special revenue direct appropriation fund.

\$204,900 the second year is appropriated from the general fund for transfer by the commissioner of finance to the special revenue direct appropriation fund to support appropriations from the special revenue direct appropriation fund that are not fully supported by income from fees.

Approved Complement—18

Subd. 8. Board of Peace Officer Standards and Training General Operations and Management	1,430,600	1,476,300
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Approved Complement—9

\$1,035,000 the first year and \$1,076,400 the second year is for peace officers training under Minnesota Statutes, section 626.86.

Sec. 11. Laws 1985, First Special Session chapter 10, section 9, is amended to read:

Sec. 9. PUBLIC UTILITIES COMMISSION	1,321,200	1,325,200
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Approved Complement—29

The appropriation the second year is from the special revenue direct appropriation fund.

The management analysis unit of the department of administration in cooperation with the public utilities commission shall conduct a study of the purposes, statutory obligations, procedures, and the utilization of staff that affect the efficiency of the commission's operation. The study should determine the effect of statutory requirements, continued deregulation of telephone service, and alternative ways of organizing commission and staff activities including the roles of the chair and the executive director on the workload and efficient operation of the commission. A report on these issues must be completed by January 1, 1986, and submitted to the chairs of the regulated industries committees; the agriculture, transportation, and semi-state division of the house appropriations committee, and the agriculture, transportation, and semi-states subcommittee of the senate finance committee.

Sec. 12. Laws 1985, First Special Session chapter 10, section 10, subdivision 1, is amended to read:

Sec. 10. PUBLIC SERVICE

Subdivision 1. Total Appropriation	3,796,400	3,838,800
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The appropriation the second year is from the special revenue direct appropriation fund.

\$91,800 the second year is appropriated from the general fund for transfer by the commissioner of finance to the special revenue direct appropriation fund to support appropriations from the special revenue direct appropriation fund that are not fully supported by income from fees.

Approved Complement—87

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Sec. 13. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

Page 89, line 1, delete *“and identity”*

Page 107, line 5, delete *“to contract for legal assistance to farmers”* and insert *“for the purposes of sections 29 to 33”*

Page 109, line 17, delete *“(\$14,216,700)”* and insert *“(\$14,269,913)”*, delete *“(\$89,699,800)”* and insert *“(\$89,940,460)”* and delete *“(\$103,916,500)”* and insert *“(\$104,210,373)”*

Page 109, line 18, delete *“(2,567,500)”* and insert *“(2,587,000)”* and delete *“(2,567,500)”* and insert *“(2,587,000)”*

Page 109, line 26, delete the second *“(2,000,000)”* and insert *“(2,675,200)”* and delete *“(4,000,000)”* and insert *“(4,675,200)”*

Page 109, line 27, delete *“(16,173,000)”* and insert *“(16,226,213)”*, delete *“(91,179,700)”* and insert *“(94,172,560)”* and delete *“(107,352,700)”* and insert *“(110,398,773)”*

Page 109, line 33, delete *“(501,500)”* and insert *“(500,500)”* and delete *“(1,964,160)”* and insert *“(1,964,560)”*

Page 109, after line 34, insert:

"Summary by Fund

General

(500,500) (1,945,060)

Trunk highway

0 (19,500)"

Page 110, line 2, delete "(501,500)" and insert "(414,600)" and delete "(1,037,700)" and insert "(885,900)"

Page 112, line 51, delete "\$10,000 the first year and"

Page 113, line 7, after "needs" insert "not to exceed a total of \$220,000"

Page 113, after line 42, insert:

"\$200,000 in the first year of the appropriation in Laws 1985, First Special Session chapter 15, section 3, subdivision 4, paragraph (d), for relocation of the pollution control agency and waste management board is canceled. Of the \$200,000 all money allotted for moving the waste management board is canceled and the remainder of the \$200,000 shall be taken from the amount allotted for the move of the pollution control agency."

Page 113, line 46, delete "approve" and insert "give final approval to implement"

Page 113, line 47, delete "for" and insert "which" and delete "changing" and insert "change"

Page 113, delete line 48

Page 113, line 49, delete "or buildings" and insert "landscape of the mall"

Page 114, lines 11 and 12, delete "Income, Sales, and Use Tax Management" and insert "Compliance Initiatives"

Page 114, line 18, delete "this" and insert "the general fund"

Page 115, after line 23, insert:

“\$20,000 of the appropriation in Laws 1985, First Special Session chapter 13, section 23, subdivision 13, is available until June 30, 1987, for a feasibility study for a region 7E historical center. This appropriation shall be matched dollar for dollar with contributions from nonstate sources. The department of natural resources, the Minnesota historical society, and the county historical societies in region 7E shall cooperate in the study. The study shall address such themes as the history of travel, hydroelectric power, energy use and conservation, sandstone quarries, historic military roads, and outdoor preservation and survival. The study shall include land on both sides of the Kettle River about one mile south of Sandstone and the old United States government road. The planning team shall report the results of the feasibility study to the legislature by January 15, 1987.”

Page 115, line 25, delete “(125,200)” and insert “(95,200)”

Page 115, delete line 26

Page 115, line 27, delete “year,”

Page 115, line 40, delete “(20)” and insert “(30)”

Page 115, line 42, delete “(20)” and insert “(30)”

Page 115, line 49, before “The” insert “Notwithstanding any law to the contrary,”

Page 115, delete line 53

Page 116, delete lines 1 to 5

Page 116, delete lines 15 to 21

Page 116, line 23, delete “(23,411,200)” and insert “(21,206,200)”

Page 116, line 25, delete “(161.5)” and insert “(161)”

Page 116, line 26, delete “(137)” and insert “(126.5)”

Page 116, line 28, delete "(23)" and insert "(33)"

Page 116, line 30, delete "(22,678,500)" and insert "(20,473,500)"

Page 116, delete lines 34 to 54

Page 117, delete lines 1 to 14 and 26 to 67

Page 118, delete lines 1 to 31 and insert:

"The commissioner of finance shall transfer \$2,205,000 and 63 full-time equivalency positions to the agencies that under articles 5 and 6 are assigned duties that were formerly assigned to the department of energy and economic development."

Page 118, line 52, delete "(41,600)" and insert "(91,800)" and delete "100,400" and insert "150,600"

Page 118, line 55, delete the first "(24)" and insert "0"

Page 118, line 56, before "Special" insert "Workers' Compensation State Employee"

Page 118, line 56, delete the first "31" and insert "7"

Page 118, line 58, delete "(101,900)" and insert "(152,100)" and delete "(781,500)" and insert "(731,300)"

Page 119, line 1, before "Special" insert "Workers' Compensation State Employee"

Page 119, line 10, delete "\$10,000 the"

Page 119, line 11, delete "first year and"

Page 119, line 22, before "balance" insert "unobligated"

Page 119, delete lines 27 to 32 and insert:

"\$12,115,000 for fiscal year 1986 is transferred from the housing finance agency fund to the agency's general fund account."

Page 121, delete lines 35 to 37

Page 135, line 10, strike "board" and insert "agency"

Page 135, line 28, delete "112.36" and insert "112.35"

Page 136, line 7, delete "OF DEVELOPER" and insert "FOR INTEGRATED FACILITIES"

Page 136, line 8, delete "AND HAULER"

Page 136, delete lines 10 to 13 and insert: "*Notwithstanding any other provision of law, a person owning or operating an integrated facility under sections 115A.18 to 115A.30 shall be indemnified under this section for hazardous waste accepted from any other generator of hazardous wastes. The indemnification shall apply without subrogation for any damages, loss, expense,*"

Page 136, line 31, after the comma, insert "*without cost to the state*"

Page 137, delete section 72

Page 142, line 24, delete "*As cash flow permits*" and insert "*As unallotted balances permit*"

Page 145, line 11, delete "*the tax court or*"

Page 145, after line 32, insert:

"Sec. 91. Minnesota Statutes 1984, section 462A.03, subdivision 10, is amended to read:

Subd. 10. "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin or sex, determined by the agency to require such assistance as is made available by sections 462A.01 to 462A.24 on account of personal or family income not sufficient to afford adequate housing. In making such determination the agency shall: (1) take into account the following: (a) The amount of the total income of such persons and families available for housing needs, (b) the size of the family, (c) the cost and condition of housing facilities available, (d) the eligibility of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing; and (2) not adopt any rule establishing a minimum income limit for purposes of state assistance that is less than the minimum income limit for similar federal assistance established by the United States Department of Housing and Urban Development or other federal agency having jurisdiction thereover. In the case of federally subsidized mortgages with respect to which income limits have been established by any agency of the federal government having jurisdiction thereover for the purpose of defining eligibility of low and moderate income families, the limits so established shall govern under the provi-

sion of sections 462A.01 to 462A.24. In all other cases income limits for the purpose of defining low or moderate income persons shall be established by the agency by emergency or permanent rules."

Page 145, line 33, delete "91" and insert "92"

Page 146, line 9, delete "92" and insert "93"

Page 146, line 21, delete "93" and insert "94"

Page 146, line 30, delete "94" and insert "95"

Page 146, line 36, delete "95" and insert "96"

Page 148, line 7, delete "96" and insert "97"

Page 148, line 23, before "*when*" insert "*or "board"*"

Page 148, line 25, before "*in*" insert "*or "agency"*"

Page 148, line 27, delete "97" and insert "98"

Page 148, line 34, delete "*, subdivisions 1, 1a, and 3*"

Page 148, line 34, after the last semicolon insert "*105.751;*"

Page 148, line 35, delete "*112.36*" and insert "*112.35*"

Page 148, line 35, before "*and*" insert "*176.611, subdivisions 3 and 4;*"

Page 149, line 4, delete "98" and insert "99"

Page 149, line 8, delete "96" and insert "97"

Page 149, line 9, delete "97" and insert "98"

Page 149, line 10, delete "97" and insert "98"

Page 150, delete lines 13 to 36 and insert:

"The commissioner of finance is the legal successor in all respects of the small business finance agency, the Minnesota energy and economic development authority, the agricultural resource loan guaranty board, and the certified state development company as originally named and constituted, and all bonds, resolutions, contracts, and liabilities of those agencies are the bonds, resolutions, contracts, and liabilities of the commissioner of finance. The commissioner is bound by and shall administer or amend if necessary all contracts entered into by the commissioner

of energy and economic development, authority, board, or certified state development company unless the authority for contract administration has been transferred to another state agency. The commissioner shall fulfill the terms of all pledges made by the authority, board, or company to their bondholders, trustees, or other persons. The commissioner shall administer all loans made by these agencies. The commissioner shall not issue any new bonds under chapters 41A or 116M or provide any form of financial assistance under chapters 41A, 116M, or 472 unless this action is required by article 1, section 11, of the Minnesota Constitution or article 1, section 10, of the United States Constitution.

The commissioner shall satisfy all obligations of the authority, board, or company in accordance with their terms. The commissioner shall deposit in the general fund any money in the funds that is not legally bound to guarantee any outstanding loan, bond, or note, or that is not pledged or obligated in any contract entered into by the board or its successor."

Page 151, delete line 1

Pages 151 to 155, delete sections 5 to 13

Page 175, line 14, after "contracts" insert "entered into"

Page 175, line 15, before the period insert "and under section 116M.07, subdivisions 7a, 7b, and 7c"

Page 176, line 25, delete everything before the period and insert "pursuant to section 3"

Page 176, after line 30, insert:

"Sec. 61. Minnesota Statutes 1985 Supplement, section 116M.-07, subdivision 7a, is amended to read:

Subd. 7a. [HEALTH CARE EQUIPMENT LOANS; AUTHORITY.] The (AUTHORITY) commissioner may make or participate in making health care equipment loans in any amount and may enter into commitments therefor. The loans may be made only from the proceeds of bonds or notes issued pursuant to subdivision 7b. Before making a commitment for a loan, the (AUTHORITY) commissioner shall forward the application to the commissioner of health for review under subdivision 7c. The (AUTHORITY) commissioner must not approve or enter into a commitment for a loan unless the application has been approved by the commissioner of health.

Sec. 62. Minnesota Statutes 1985 Supplement, section 116M.-07, subdivision 7b, is amended to read:

Subd. 7b. [HEALTH CARE EQUIPMENT LOANS; BONDS AND NOTES.] The (AUTHORITY) *commissioner* may issue its bonds and notes to provide money for the purposes specified in subdivision 7a. (FOR THIS PURPOSE, THE AUTHORITY MAY EXERCISE ALL OF THE POWERS CONFERRED ON IT BY SECTIONS 116M.03 AND 116M.06 TO 116M.08 WITH RESPECT TO BUSINESS LOANS, EXCEPT AS LIMITED BY SUBDIVISIONS 7A TO 7C.) The principal amount of bonds and notes issued and outstanding under this subdivision at any time, computed as specified in *Minnesota Statutes 1985 Supplement*, section 116M.08, subdivision 11, may not exceed \$95,000,000. (THIS AUTHORIZATION IS IN ADDITION TO THE AUTHORIZATION CONTAINED IN SECTION 116M.08, SUBDIVISION 11.) The bonds and notes issued to make the loans may not be insured by the (AUTHORITY) *commissioner* but shall be insured by a letter of credit or bond insurance issued by a private insurer.

Sec. 63. Minnesota Statutes 1985 Supplement, section 116M.07, subdivision 7c, is amended to read:

Subd. 7c. [HEALTH CARE EQUIPMENT LOANS; ADMINISTRATION.] (a) The commissioner of health shall review each loan application received from the (AUTHORITY) *commissioner* to determine whether the application is an approvable application. An application is approvable if the following criteria are satisfied:

(1) the hospital is owned and operated by a county, district, municipality or nonprofit corporation;

(2) the loan would not be used to refinance existing debt;

(3) the hospital was unable to obtain suitable financing from other sources;

(4) the loan is necessary to establish or maintain patient access to an essential health care service that would not otherwise be available within a reasonable distance from that facility; and

(5) the project to be financed by the loan is cost-effective and efficient.

(b) The commissioner shall determine whether the allocation available for the health care equipment loan program for a period of time specified in a rule is sufficient for all approvable applications received during the period of time. If the allocations are sufficient, the commissioner shall approve all approvable applications. If the allocations are not sufficient, the commissioner shall compare the relative merits of the approvable applications in relation to the criteria in clauses (4) and (5), rank the applications in order of priority, and approve the applications in order of priority to the extent possible within the available allocation.

(c) The commissioner (OF ENERGY AND ECONOMIC DEVELOPMENT) may charge a reasonable fee under section 16A.128 to an applicant for the costs of the departments of health and (ENERGY AND ECONOMIC DEVELOPMENT) *finance* in the review of the application. The commissioner (OF ENERGY AND ECONOMIC DEVELOPMENT) shall transfer to the commissioner of health from the fees collected an amount sufficient to pay the costs of the commissioner of health in the review of applications effective July 1, 1985. The commissioner of health may adopt permanent rules to implement subdivisions 7a to 7c. The commissioner (OF ENERGY AND ECONOMIC DEVELOPMENT) may adopt permanent rules to implement subdivisions 7a to 7c."

Page 181, line 16, delete "subdivision 1,"

Page 181, delete lines 17 to 22, and insert:

"116M.11 [ENERGY LOAN INSURANCE PROGRAM.]

Subdivision 1. [ENERGY LOAN INSURANCE ACCOUNT.] An energy loan insurance account is created in the energy fund. The account shall be used by the (AUTHORITY) *commissioner* as a revolving account, and all money in the account is appropriated to the (AUTHORITY) *commissioner*, for carrying out the provisions of this section with respect to loans insured under subdivision 2.

Subd. 2. [INSURANCE OF LOANS.] (a) [AUTHORIZATION.] The (AUTHORITY) *commissioner* is authorized, upon application by a financial institution, to insure loans for cost-effective qualified energy projects as provided in this section; and under terms as the (AUTHORITY) *commissioner* may prescribe by rule, to make commitments for the insuring of loans prior to the date of their execution or disbursement. In the event the (AUTHORITY) *commissioner* shall determine that the energy loan insurance account is or will be depleted in connection with the use of the account as authorized by the act which has been approved or given preliminary approval by the (AUTHORITY) *commissioner*, then the (AUTHORITY) *commissioner* may by resolution transfer money from the energy development account created pursuant to section 116M.12.

(b) ([ELIGIBILITY REQUIREMENTS.] THE AUTHORITY MAY BY RULE ESTABLISH REQUIREMENTS FOR ENERGY LOANS TO BE ELIGIBLE FOR INSURANCE UNDER THIS SECTION, RELATING TO:)

((1) MAXIMUM PRINCIPAL AMOUNT, AMORTIZATION SCHEDULE, INTEREST RATE, DELINQUENCY CHARGES, AND OTHER TERMS;)

- ((2) THE PORTION OF THE LOAN TO BE INSURED;)
- ((3) ACCELERATION AND OTHER REMEDIES;)
- ((4) COVENANTS REGARDING INSURANCE, REPAIRS, AND MAINTENANCE OF THE PROJECT;)
- ((5) CONDITIONS REGARDING SUBORDINATION OF THE LOAN SECURITY, IF ANY, OF THE PROJECT TO OTHER LIENS AGAINST THE PROPERTY;)
- ((6) THE AGGREGATE PRINCIPAL AMOUNT OF LOANS TO BE INSURED IN RELATION TO THE RESERVES FROM TIME TO TIME ON HAND IN THE INSURANCE ACCOUNT, AND PRIORITIES AS TO THE LOANS TO BE INSURED; AND)
- ((7) ANY OTHER MATTERS DETERMINED BY THE AUTHORITY.)

(THE AUTHORITY SHALL BY RULE ESTABLISH CRITERIA FOR ANALYZING THE COST EFFECTIVENESS OF PROJECTS.)

((C)) [CONCLUSIVE EVIDENCE OF INSURABILITY.] Any contract of insurance executed by the (AUTHORITY) *commissioner* under this section shall be conclusive evidence of the eligibility of the loan for insurance, and the validity of any contract of insurance properly executed and in the hands of any approved lender shall not be contestable, except for fraud or misrepresentation on the part of the financial institution.

((D)) (c) [PREMIUMS.] The (AUTHORITY) *commissioner* is authorized to fix premium charges for the insurance of loans under this section at levels which in its judgment, taking into consideration other amounts available in the account, will be sufficient to cover and maintain a reserve for loan losses.

((E)) (d) [PROCEDURES UPON DEFAULT.] The (AUTHORITY) *commissioner* may establish procedures to be followed by financial institutions and to be taken by the authority in the event of default upon an energy loan, including:

- (1) time for filing claims;
- (2) rights and interests to be assigned and documents to be furnished by the financial institution;
- (3) principal and interest to be included in the claim; and
- (4) conditions, if any, upon which the (AUTHORITY) *commissioner* will pay the entire principal amount in default, after foreclosure and receipt of marketable title to the property.

Subd. 3. [INVESTMENT INTEREST.] All interest and profits accruing from investment of the account's money shall be credited to and be a part of the account, and any loss incurred in the principal of the investments of the account shall be borne by the account.

(SUBD. 4. [MAXIMUM AUTHORIZED INSURANCE.] THE AUTHORITY MAY NOT AT ANY TIME ISSUE INSURANCE UNDER THIS SECTION AGGREGATING IN EXCESS OF AN AMOUNT EQUAL TO THE CURRENT BALANCE CONTAINED IN THE ACCOUNT MULTIPLIED BY TEN.)"

Page 193, line 6, delete "commerce" and insert "administration"

Pages 197 to 199, delete sections 106 to 110

Page 199, after line 34, insert:

"Sec. 111. [FEDERAL FUNDS.]

The federal share of payments for loans made under Minnesota Statutes 1984, chapter 472, by the Minnesota energy and economic authority or any of its predecessors shall be deposited into the rural development fund created in section 33 for economic development assistance to cities, counties, and towns."

Page 200, line 28, after "subdivisions" insert "1," and after "3," insert "4, 6," and delete "and" and after "10" insert "12, 13, 14, and 15" and after the last "2" insert "and 4"

Page 200, line 29, after "2," insert "41A.05, subdivision 4; 41A.06, subdivisions 2, 3, and 4;"

Page 201, line 11, delete "subdivision" and insert "subdivisions 1, 2, 3, 4, 5," and after the first "6" insert ", and 7"

Page 201, line 20, delete "and" and insert "472.01; 472.02;"

Page 201, line 21, after "subdivision" insert "1," and before the semicolon insert ", 3, 4, 5, 6, 7, 8, 10, 11, 12, and 13"

Page 201, line 21, before "Minnesota" insert "472.04; 472.05; 472.06; 472.07; 472.08, subdivision 2; 472.09; 472.10; 472.11, subdivisions 1, 2, 4, 5, 6, 7 and 8; 472.12,"

Page 201, line 22, delete "3.875" and delete "subdivision" and insert "subdivisions 5," and after "7" insert ", 7a, 8, and 11"

Page 201, line 23, delete the first "and" and insert a comma, and after the first "3" insert ", and 5"

Page 201, line 23, delete the second "and" and insert a comma, and after the second "3" insert ", and 4"

Page 201, line 23, before "41A.08;" insert "41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivisions 1 and 5; and"

Page 201, line 27, delete "7a, 7b, 7c,"

Page 201, line 29, delete "116M.11, subdivisions 2, 3, and 4;"

Page 201, line 29, before "and" insert "472.03, subdivision 9; 472.08, subdivision 1; 472.11, subdivisions 3 and 9; 472.125; 472.-13; 472.14; 472.15; 472.16"

Page 202, line 13, delete "\$81,589,100" and insert "\$80,626,600" and delete "\$102,324,300" and insert "\$101,361,800"

Page 202, line 15, delete "\$8,512,100" and insert "\$80,549,600" and delete "\$102,224,300" and insert "\$101,261,800"

Page 202, line 22, delete "(24,109,900)" and insert "(24,184,900)"

Page 202, line 32, after "percent" insert:

"for physician services, dental care, vision care, podiatric services, chiropractic care, physical therapy, occupational therapy, speech pathologists, audiologists, mental health centers, psychologists, public health clinics and independent laboratory and x-ray services"

Page 203, after line 42, insert:

"Subd. 2. Increases—		
Medical Assistance	0	320,000

The following amounts are appropriated from the general fund for the biennium ending June 30, 1987, and are added to the amounts in Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 5, paragraph (b)

(a) \$20,000 in the second year for the purpose of the medical assistance study required in section 58.

(b) \$300,000 in the second year for the purpose of developing and operating a medical assistance eligibility verification system. Availability of this money is contingent upon receipt of federal participation funds. If federal funds are reduced or withdrawn for this purpose they shall not be replaced with state money. Federal funds received during the biennium for this system are appropriated to the commissioner. The state cost shall not exceed this appropriation. This system shall not result in any cost to providers of medical services."

Page 203, line 43, delete "2" and insert "3"

Page 203, line 51, after "services" insert ", except inpatient hospital care and any hospital care provided in response to a primary diagnosis of chemical dependency or mental illness,"

Page 204, line 1, delete "3" and insert "4"

Page 204, line 2, delete "(60,175,700)" and insert "(58,458,200)"

Page 205, line 22, delete "4" and insert "5"

Page 205, line 22, after "Increases" insert " — All Other Human Services" delete "\$10,896,800" and insert "\$9,896,800"

Page 205, line 48, delete "\$5,000,000" and insert "\$4,000,000"

Page 205, delete line 59

Page 206, delete lines 1 and 2

Page 206, line 28, delete "reduced from the general" and insert "a general reduction of the department's"

Page 206, line 29, delete "assistance job placement"

Page 206, line 32, delete the second "3" and insert "1"

Page 207, line 49, delete "specified reductions" and insert "purposes of this article"

Page 219, after line 18, insert:

"(e) electronic transfer to counties of materials contained in instructional bulletins, manuals, and other informational changes

necessary for the efficient operation of county human services departments."

Page 220, after line 8, insert:

"Subd. 6. [REPORT.] The commissioner of human services shall make a report to the chair of the house appropriations committee and the chair of the senate committee on finance by March 1, 1987, detailing how the system will facilitate the recoupment of payments of erroneous amounts of food stamp recipients, progress on system development, county involvement, projections of additional amounts to be recouped, and other significant matters affecting the operation of the automated system.

Sec. 28. [256.015] [TRAINING OF WELFARE FRAUD PROSECUTORS.]

The commissioner of human services shall contract with the county attorney's council or other public or private entity experienced in providing training for prosecutors to conduct quarterly workshops and seminars focusing on current AFDC program issues, other income maintenance program changes, recovery issues, alternative sentencing methods, use of technical aids for interviews and interrogations, and other matters affecting prosecution of welfare fraud cases.

Sec. 29. [256.016] [TRAINING OF WELFARE FRAUD INVESTIGATORS.]

The commissioner of human services shall establish a pilot project for further education and training of welfare fraud investigators. The commissioner may enter into contractual agreements with other state, federal, or county agencies as part of cooperative projects employing experienced investigators to provide on-the-job training to county investigators."

Page 220, line 16, reinstate the stricken " , when added to all other income and support available"

Page 220, line 17, reinstate the stricken "to the child,"

Page 223, after line 29, insert:

"Sec. 32. Minnesota Statutes 1984, section 256.98, is amended to read:

256.98 [WRONGFULLY OBTAINING ASSISTANCE; THEFT.]

A person who obtains, or attempts to obtain, or aids or abets any person to obtain by means of a wilfully false statement or representation, by intentional concealment of a material

fact, or by impersonation or other fraudulent device, assistance to which he is not entitled or assistance greater than that to which he is entitled, or who knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the local agency with intent to defeat the purposes of sections 256.12, 256.72 to 256.872, chapter 256B, is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (1), (2) and (5). The amount of the assistance incorrectly paid shall be the difference between the amount of assistance actually received and the amount to which the recipient would have been entitled under state and federal law had the welfare agency been informed of all material facts. The amount of any assistance determined to have been incorrectly paid shall be recoverable from the recipient or his estate by the county or the state as a debt due the county or the state or both in proportion to the contribution of each. (ANY AMOUNTS RECOVERED SHALL BE PAID TO THE APPROPRIATE UNITS OF GOVERNMENT IN THE SAME MANNER AS PROVIDED IN SECTION 256.863.) To prosecute or to recover assistance wrongfully obtained under this section, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general, may institute a criminal or civil action. *If the state is responsible for the recovery, the amounts recovered shall be paid to the appropriate units of government as provided under section 256.863. If the recovery is directly attributable to a county, the county may retain one-half of the nonfederal share of any recovery from a recipient or the recipient's estate. This provision shall not apply to recoveries from medical providers or to recoveries involving the department of human services, surveillance and utilization review division, state hospital collections unit, and the benefit recoveries division.*"

Page 227, line 31, strike everything after the first "the"

Page 227, line 32, strike everything before the comma and insert "*medical assistance income standard*"

Page 227, line 33, strike "these maxima" and insert "*the medical assistance income standard*"

Page 228, line 1, after the period insert "*The medical assistance income standard for one person is \$4,164 or, for a family of two or more, is equal to the standard of need in the aid to families with dependent children program. The medical assistance income standard is subject to limitations set forth in Code of Federal Regulations, title 42, section 435.1007, and shall be adjusted in accordance with the annual appropriations bill.*"

Page 228, line 32, before the period insert "*to the provider or agency seeking reimbursement under that coverage*"

Page 229, after line 2, insert:

"Sec. 38. Minnesota Statutes 1985 Supplement, section 256B.07, is amended to read:

256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]

A local agency may (, WITHIN THE SCOPE OF REGULATIONS SET BY THE COMMISSIONER OF HUMAN SERVICES,) *not* waive the requirement of liquidation of excess assets (WHEN THE LIQUIDATION WOULD CAUSE UNDUE HARDSHIP). When an undue hardship waiver is granted due to excess assets created through a transfer of property under section 256B.17, subdivision 1, a cause of action exists against the person to whom the assets were transferred for that portion of medical assistance granted within 24 months of the transfer, 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 county agency responsible for providing medical assistance under section 256B.02, subdivision 3. Household goods and furniture in use in the home, wearing apparel, and personal property used as a regular abode by the applicant or recipient and a lot in a burial plot shall not be considered as resources available to meet medical needs."

Page 229, line 4, delete "by adding a subdivision"

Page 229, after line 4, insert:

"256B.37 [PRIVATE INSURANCE POLICIES.]

Subdivision 1. [PRIVATE PLANS PRIMARY.] Private health care and automobile accident coverage for medical services shall be primary coverage and must be exhausted before payment will be made by the medical assistance program or general assistance medical care program on behalf of any person eligible under section 256B.06 or 256D.03, subdivision 3. If an otherwise eligible person has private health care coverage or a prepaid health plan, the private health benefits must be used first and to the fullest extent. For purposes of this section, assignment of benefits held under 256B.06, subdivision 1, clause (16), must be honored by the private health care coverage, prepaid health plan, or automobile coverage. Supplementation may be made by the medical assistance or general assistance medical care program, but the combined total paid shall not exceed the amount payable under the program in the absence of other coverage. The medical assistance or general assistance medical care program will not supplement covered services rendered by a practitioner participating or contracting with a private health coverage plan if the private plan calls for the practitioner to accept the plan's payment as payment in full.

Subd. 2. [SUBROGATION.] Upon furnishing medical assistance to any person having private health care coverage, the state agency shall be subrogated, to the extent of the cost of medical care furnished, to any rights the person may have under the terms of any private health care coverage. The right of subrogation does not attach to benefits paid or provided under private health care coverage prior to the receipt of written notice of the exercise of subrogation rights by the carrier issuing the health care coverage.

Subd. (2) 3. [CIVIL ACTION.] 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 against the carrier of the private health care coverage.”

Page 229, line 5, delete “3” and insert “4”

Page 236, after line 16, insert:

“Sec. 41. Minnesota Statutes 1984, section 256D.05, is amended by adding a subdivision to read:

Subd. 5. [TRANSFERS OF PROPERTY.] *The following provisions govern all transfers of resources relative to the general assistance program:*

(a) Transfers for less than market value. In determining the resources of an assistance unit, there shall be included a resource or an interest in a resource that was given away, sold, or disposed of for less than fair market value within 12 months preceding application for general assistance or during the period of eligibility.

(b) Presumption of purpose. Any transaction described in this subdivision shall be presumed to have been for the purpose of establishing eligibility for assistance under chapter 256D, unless the individual involved or other member of the assistance unit offers convincing evidence to show that the transaction was for another purpose only.

(c) Resource value. For purposes of this subdivision, the value of the resource shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received.

(d) Period of ineligibility. For any insufficiently compensated transfer, the period of ineligibility shall be calculated by dividing the resource value by the state standard of assistance for an assistance unit of the size involved. The assistance unit shall remain ineligible until either this fixed period of ineligibility or 12 calendar months has expired, whichever occurs first.”

Page 253, line 48, delete "Section 34 is" and insert "Sections 34 and 38 are"

Page 253, after line 49, insert:

"ARTICLE 8

PROPERTY TAXES

Section 1. Minnesota Statutes 1984, section 124.195, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER'S ASSUMPTIONS.] For purposes of determining the amount of state general fund cash to be paid to school districts pursuant to subdivision 3, the commissioner of education shall:

(a) assume that the payments to school districts by the county treasurer of revenues accruing to the fiscal year of receipt pursuant to section 276.10 are made in the following manner:

(1) 50 percent within seven business days of each due date; and

(2) 100 percent within 14 business days of each due date;

(b) *assume that the payments to school districts by the county treasurer of revenues accruing to the fiscal year of receipt pursuant to section 8 are made in the following manner:*

(1) *50 percent within seven business days from the October 15 distribution;*

(2) *100 percent within 14 business days from the October 15 distribution; and*

(3) *100 percent within ten business days from the November 15 distribution.*

(c) assume that the payments to school districts by county auditors pursuant to section 124.10, subdivision 2 are made at the end of the months indicated in that subdivision.

Sec. 2. Minnesota Statutes 1984, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually on August 15 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property

in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation of the real property of any town or district in any county, or the valuation of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board may add to, or take from, the valuation of any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof; (AND)

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; *and*

(8) Effective with the 1986 assessment and subsequent years, in equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales which occurred between October 1 of the year immediately preceding the previous year to September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property.

Sec. 3. Minnesota Statutes 1985 Supplement, section 273.13, subdivision 15a, is amended to read:

Subd. 15a. [GENERAL FUND, REPLACEMENT OF REVENUE.] (1) Payment from the general fund shall be made, as provided herein, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in subdivisions 22 and 23.

(2) Each county auditor shall certify, not later than May 1 of each year to the commissioner of revenue the amount of reduction resulting from subdivisions 22 and 23 in his county. This certification shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

(3) Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified under clause (2). The commissioner of revenue shall pay to each taxing district, other than school districts, its total payment for the year in equal installments on or before July 15 (, AUGUST 15, SEPTEMBER 15, OCTOBER 15, NOVEMBER 15,) and December 15 of each year.

Sec. 4. Minnesota Statutes 1985 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$64,000 of market value of class 1a property must be assessed at 18 percent of its market value. The homestead

value of class 1a property that exceeds \$64,000 must be assessed at 28 percent of its value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and his or her spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) *whose household income as defined in section 290A.03, subdivision 5, is less than \$18,000 and receives (90) at least 80 percent (OR MORE) of his or her total income from*

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability.

Property is classified and assessed pursuant to clause (1) only if the commissioner of human services certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. The commissioner of human services shall provide a copy of the certification to the commissioner of revenue.

Class 1b property is valued and assessed as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first \$32,000 of market value shall be valued and assessed at five percent, the next \$32,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 18 percent; and in the case of all other real estate and manufactured homes, the first \$32,000 of market value shall be valued and assessed at five percent, the next \$32,000 of market value shall be valued and assessed at 18 percent, and the remaining market value shall be valued and assessed at 28 percent. In the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 18 percent rates; and for all other real estate and manufactured homes, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 18 percent rates. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. It must be assessed at 12 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

(d) The tax to be paid on class 1a or class 1b property, less any reduction received pursuant to sections 273.123 and 473H.10, shall be reduced by 54 percent of the tax imposed on the first \$68,000 of market value. The amount of the reduction shall not exceed \$700.

Sec. 5. Minnesota Statutes 1984, section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On the fifth day of March and the 20th day of May (, AND OCTOBER) of each year, the county treasurer shall make full settlement with the county auditor of all receipts collected by him for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in the form prescribed by the state auditor. At each settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

Settlement of receipts from May 20 to December 31 of each year shall be made as provided in section 8.

For purposes of this section, "receipts" shall include all tax payments received by the county treasurer on or before the settlement date.

Sec. 6. Minnesota Statutes 1984, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

On the settlement day in March (,) and May (, AND OCTOBER) of each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury, apportioning them, as provided by law, and placing them to the credit of the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall make a report of it to the state auditor in the form prescribed by the state auditor. The county auditor shall issue his warrant for the payment of moneys in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive them. The county auditor may apply the mill rate from the year previous to the year of distribution when apportioning and distributing delinquent tax proceeds, provided that the composition of the previous year's mill rate between taxing districts is not significantly different than that which existed for the year of the delinquency.

Sec. 7. Minnesota Statutes 1984, section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS FROM MARCH AND MAY SETTLEMENT.]

As soon as practical after (EACH) *the March and the May* settlement the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in the clerk's office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon. The county treasurer shall pay, upon written request of the state, a municipal corporation or other public body except school districts, at least 70 percent of the estimated collection within 30 days after the *March and the May* settlement (DATE) *dates*. Within seven business days after the due date, the county treasurer shall pay to the treasurer of the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district and the remaining 50 percent of the estimated collections shall be paid to the treasurer of the school district within the next seven business days. The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the *March and the May* settlement (DATE) *dates*, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 8. [276.111] [DISTRIBUTIONS AND FINAL YEAR END SETTLEMENT.]

Within seven business days after October 15 the county treasurer shall pay to the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district from May 20 to October 20 and the remaining 50 percent of the estimated tax collections must be paid to the school district within the next seven business days. Within ten business days after November 15 the county treasurer shall pay to the school district 100 percent of the estimated collections

arising from taxes levied by and belonging to the school districts from October 20 to November 20.

Not later than November 15, the county treasurer shall pay to each taxing district, except any school district, 70 percent of the estimated tax collections from May 20 to October 20. Not later than December 15, the county treasurer shall pay to each taxing district, except school districts, 90 percent of the estimated tax collections through November 30 which have not previously been distributed to the taxing district.

On the fifth day of January the county treasurer shall make full settlement with the county auditor of all receipts collected from the 20th day of May to December 31 of the preceding year. After subtracting any tax distributions which have been made to the taxing districts in October, November, and December, the treasurer shall pay to each of the taxing districts on or before January 25, the balance of the tax amounts collected on behalf of each taxing district. Interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the taxing district if this final settlement amount is not paid by January 25. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 9. Minnesota Statutes 1984, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, November 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, the 16th day of November, may apply

to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

- (1) That the proposed review is to be taken in good faith;
- (2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and
- (3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 10. Minnesota Statutes 1985 Supplement, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivision 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file the offer with proof of notice, and the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from

and after the 16th day of October, *or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, the 16th day of November,* of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October, *or, in the case of class 3cc agricultural homestead, class 3b agricultural homestead, and class 3 agricultural nonhomestead property, the 16th day of November,* of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 11. Minnesota Statutes 1984, section 279.01, as amended by Laws 1985, chapter 300, section 12, is amended to read:

279.01 [DUE DATE; PENALTIES, INTEREST.]

Subdivision 1. *Except as provided in subdivision 3,* on May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 1c, 2c, or 6a, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to his payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the 16th day of each month, up to and including October 16 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of pay-

ment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following; provided, also, that the same may be paid in installments as follows: One-fourth prior to March 16; one-fourth prior to May 16; one-fourth prior to August 16; and the remaining one-fourth prior to October 16, subject to the aforesaid penalties. Where the taxes delinquent after October 16 against any tract or parcel exceed \$100, upon resolution of the county board, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Subd. 2. In the case of any tax on *class 3cc, 3b and 3c* homestead property paid within 30 days after the due date specified in this section *or after the 30-day extension as specified in subdivision 3*, the county board may, with the concurrence of the county treasurer, delegate to the county treasurer the power to abate the penalty provided for late payment. Notwithstanding section 270.07, if any county board so elects, the county treasurer may abate the penalty if in his judgment the imposition of the penalty would be unjust and unreasonable.

Subd. 3. In the case of class 3cc agricultural homestead and class 3b agricultural homestead property and class 3 agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 3cc agricultural homestead and class 3b homestead property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 16 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class 3 agricultural nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 16 following, an additional four percent shall be charged on all such unpaid taxes.

If the owner of class 3cc agricultural homestead, class 3b, or class 3 agricultural property receives a consolidated property tax statement that shows only an aggregate of the taxes and special assessments due on that property and on other property not classified as class 3cc agricultural homestead, class 3b, or class 3 agricultural property, the aggregate tax and special assessments shown due on the property by the consolidated statement will be due on November 15 provided that at least 50 percent of the property's market value is classified class 3cc agricultural, class 3b, or class 3 agricultural.

Sec. 12. [1986 ASSESSMENT ONLY.]

For the 1986 assessment only, in the case of property which qualifies for the 1b classification as a result of the provisions in section 4, the March 1 certification deadline of 1b property with the commissioner of revenue as provided in Minnesota Statutes, section 273.1315, shall be extended to July 1, 1986. The commissioner shall provide to the assessor on or before August 1, 1986, a listing of the parcels of property qualifying for the 1b classification pursuant to the changes made in section 4.

Sec. 13. [INSTRUCTION TO THE REVISOR.]

In the next edition of Minnesota Statutes, the revisor shall change class 3cc to class 1b, class 3b to class 2a, class 3 to class 2c, and class 3c to class 1a, wherever they appear in sections 278.03, 278.05, subdivision 5, and 279.01.

Sec. 14. [EFFECTIVE DATE.]

Sections 1, and 5 to 11 are effective for property taxes payable in 1986 and thereafter. Sections 2, 4, and 12 are effective for taxes assessed in 1986 and subsequent years. Section 3 is effective July 1, 1986.

ARTICLE 9

INCOME TAX

Section 1. Minnesota Statutes 1985 Supplement, section 290.-491, is amended to read:

290.491 [TAX ON GAIN; DISCHARGE IN BANKRUPTCY.]

(a) Any tax due under this chapter on a gain realized on a forced sale pursuant to foreclosure of a mortgage or other security interest in agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be a dischargeable debt in a bankruptcy proceeding under United States Code, title 11, section 727.

(A GAIN) (b) *Income realized on a sale or exchange of agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be exempt from taxation under this chapter, if the taxpayer was insolvent at the time of the sale and the proceeds of the sale were used solely to discharge indebtedness secured by a mortgage, lien or other security interest on the property sold. For purposes of this section, "insolvent" means insolvent as defined in section 108(d)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1984. This paragraph applies only to the extent that the gain is includable in federal adjusted*

gross income or in the computation of the alternative minimum taxable income under section 290.091 for purposes of the alternative minimum tax. The amount of the exemption is limited to the excess of the taxpayer's (1) liabilities over (2) the total assets and any exclusion claimed under section 108 of the Internal Revenue Code of 1954, as amended through December 31, 1985, determined immediately before application of this paragraph.

(c) For purposes of this section, any tax due under this chapter specifically includes, but is not limited to, tax imposed under sections 290.02 and 290.03 on income derived from a sale or exchange, whether constituting gain, discharge of indebtedness or recapture of depreciation deductions, or the alternative minimum tax imposed under section 290.091.

Sec. 2. [REPEALER.]

Minnesota Statutes 1985 Supplement, section 290.06, subdivision 2f, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for taxable years beginning after December 31, 1985. Section 2 is effective January 1, 1986.

ARTICLE 10

LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 1985 Supplement, section 477A.011, subdivision 10, is amended to read:

Subd. 10. [MAXIMUM AID AMOUNT.] For any calendar year aid distribution, a city's maximum aid amount shall be (106) 103 percent of its previous year aid amount, provided that its previous year aid amount exceeded \$150 per capita. If its previous year aid amount was less than \$150 per capita, its maximum aid amount shall be the lesser of: (a) (112) 105 percent of its previous year aid amount, or (b) (\$159) \$154.50 multiplied by the population figure used in determining its previous year aid.

Sec. 2. Minnesota Statutes 1985 Supplement, section 477A.-011, subdivision 12, is amended to read:

Subd. 12. [PREVIOUS YEAR AID AMOUNT.] For any calendar year aid distribution, a (MUNICIPALITY'S) *governmental unit's* previous year aid amount means the amount that it was certified to receive for the previous calendar year pursuant to sections 477A.011 to 477A.03.

Sec. 3. Minnesota Statutes 1985 Supplement, section 477A.-012, is amended to read:

477A.012 [COUNTY GOVERNMENT DISTRIBUTIONS.]

In calendar year (1986) *1987*, each county government shall receive a distribution equal to (60) *103* percent of (THE) *its previous year* aid amount (CERTIFIED FOR 1983 PURSUANT TO SECTIONS 477A.011 TO 477A.03).

Sec. 4. Minnesota Statutes 1985 Supplement, section 477A.-013, is amended to read:

477A.013 [MUNICIPAL GOVERNMENT DISTRIBUTIONS.]

Subdivision 1. [TOWNS.] In calendar year (1986) *1987*, each town which had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to (THE GREATER OF: (A) 60 PERCENT OF THE AMOUNT RECEIVED IN 1983 PURSUANT TO MINNESOTA STATUTES 1982, SECTIONS 273.138, 273.139, AND 477A.011 TO 477A.03; OR (B) 106) *103* percent of (THE AMOUNT RECEIVED IN 1985 *1986* PURSUANT TO MINNESOTA STATUTES 1984, SECTIONS 477A.011 TO 477A.03) *its previous year aid*.

Subd. 2. [CITIES.] In calendar year (1986) *1987*, each city shall receive a local government aid distribution as determined by the following steps.

(1) A preliminary aid amount shall be computed for each city equal to the amount obtained by subtracting its local effort mill rate multiplied by its equalized assessed value from its fiscal need factor, except that its preliminary aid amount may not be less than its previous year aid amount.

For any city which received more than \$70 per capita in attached machinery aids in 1983 pursuant to Minnesota Statutes 1982, section 273.138, an amount equal to the amount of attached machinery aids received in 1983 shall be added to the preliminary aid amount.

(2) For each city, an aid increase amount equal to the amount by which its preliminary aid amount exceeds its previous year aid amount shall be determined. Each city's aid increase amount shall be reduced by a uniform percentage as determined by the commissioner of revenue, to make the sum of the final aid distributions for all cities equal the aid limitation imposed by subdivision 3.

(3) Each city's final aid amount shall be equal to the sum of its aid increase amount, as adjusted, and its previous year aid amount; provided, however, that no city's aid shall exceed its maximum aid amount (, AND FURTHER PROVIDED THAT NO CITY WHICH IS A CITY OF THE FIRST CLASS SHALL HAVE A FINAL AID AMOUNT WHICH IS LESS THAN 102 PERCENT OF ITS PREVIOUS YEAR AID).

Subd. 3. [AID LIMITATION.] The total amount available for distribution to cities pursuant to subdivision 2 shall be (\$286,000,000) \$294,600,000 for calendar year (1986) 1987.

Sec. 5. Minnesota Statutes 1984, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in (SIX) *two equal* installments on July 15 (, AUGUST 15, SEPTEMBER 15, OCTOBER 15, NOVEMBER 15,) and December 15 annually.

(FOR CALENDAR YEAR 1981 ONLY, THE COMMISSIONER SHALL MAKE THE PAYMENTS IN SEVEN INSTALLMENTS COMPUTED AS FOLLOWS: ONE-FOURTH OF THE CALENDAR YEAR 1981 AIDS SHALL BE PAID ON MARCH 15; THE REMAINING AMOUNTS SHALL BE DIVIDED INTO SIX EQUAL PAYMENTS TO BE MADE ON JULY 15, AUGUST 15, SEPTEMBER 15, OCTOBER 15, NOVEMBER 15, AND DECEMBER 15.)

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 4 are effective for local government aid payments beginning in 1987. Section 5 is effective July 1, 1986.

ARTICLE 11

TAX COMPLIANCE

Section 1. Minnesota Statutes 1985 Supplement, section 60A.17, subdivision 1a, is amended to read:

Subd. 1a. [LICENSE APPLICATION.] (a) [PROCEDURE.] An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9) at

the time the agent becomes licensed. The application and appointment shall be on forms prescribed by the commissioner.

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

(b) [RESIDENT AGENT.] The commissioner shall issue a resident insurance agent's license to a qualified resident of this state as follows:

(1) a person may qualify as a resident of this state if that person resides in this state or the principal place of business of that person is maintained in this state. Application for a license claiming residency in this state for licensing purposes, shall constitute an election of residency in this state. Any license issued upon an application claiming residency in this state shall be void if the licensee, while holding a resident license in this state, also holds, or makes application for, a resident license in, or thereafter claims to be a resident of, any other state or jurisdiction or if the licensee ceases to be a resident of this state; provided, however, if the applicant is a resident of a community or trade area, the border of which is contiguous with the state line of this state, the applicant may qualify for a resident license in this state and at the same time hold a resident license from the contiguous state;

(2) the commissioner shall subject each applicant who is a natural person to a written examination as to the applicant's competence to act as an insurance agent. The examination shall be held at a reasonable time and place designated by the commissioner;

(3) the examination shall be approved for use by the commissioner and shall test the applicant's knowledge of the lines of insurance, policies, and transactions to be handled under the class of license applied for, of the duties and responsibilities of the licensee, and pertinent insurance laws of this state;

(4) the examination shall be given only after the applicant has completed a program of classroom studies in a school, which shall include a school conducted by an admitted insurer. The course of study shall consist of 30 hours of classroom study devoted to the basic fundamentals of insurance for those seeking a Minnesota license for the first time, 15 hours devoted to specific life and health topics for those seeking a life and health license, and 15 hours devoted to specific property and casualty topics for those seeking a property and casualty license. The program of studies or study course shall have been approved by the commis-

sioner in order to qualify under this clause. If the applicant has been previously licensed for the particular line of insurance in the state of Minnesota, the requirement of a program of studies or a study course shall be waived. A certification of compliance by the organization offering the course shall accompany the applicant's license application. This program of studies in a school or a study course shall not apply to farm property perils and farm liability applicants, or to agents writing such other lines of insurance as the commissioner may exempt from examination by order;

(5) the applicant must pass the examination with a grade determined by the commissioner to indicate satisfactory knowledge and understanding of the class or classes of insurance for which the applicant seeks qualification. The commissioner shall inform the applicant as to whether or not the applicant has passed;

(6) an applicant who has failed to pass an examination may take subsequent examinations. Examination fees for subsequent examinations shall not be waived; and

(7) any applicant for a license covering the same class or classes of insurance for which the applicant was licensed under a similar license in this state, other than a temporary license, within the three years preceding the date of the application shall be exempt from the requirement of a written examination, unless the previous license was revoked or suspended by the commissioner. *An applicant whose license is not renewed under subdivision 20 is exempt from the requirement of a written examination.*

(c) [NONRESIDENT AGENT.] The commissioner shall issue a nonresident insurance agent's license to a qualified person who is a resident of another state or country as follows:

(1) A person may qualify for a license under this section as a nonresident only if that person holds a license in another state, province of Canada, or other foreign country which, in the opinion of the commissioner, qualifies that person for the same activity as that for which a license is sought;

(2) The commissioner shall not issue a license to any nonresident applicant until that person files with the commissioner a designation of the commissioner and the commissioner's successors in office as the applicant's true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of any interested person arising out of the applicant's insurance business in this state. This designation shall constitute an agreement that this service of process is of the same legal force and validity as personal service of process in this state upon that applicant.

Service of process upon any licensee in any action or proceeding commenced in any court of competent jurisdiction of this state may be made by serving the commissioner with appropriate copies of the process along with payment of the fee pursuant to section 60A.14, subdivision 1, paragraph (c), clause (4). The commissioner shall forward a copy of the process by registered or certified mail to the licensee at the last known address of record or principal place of business of the licensee; and

(3) A nonresident license shall terminate automatically when the resident license for that class of license in the state, province, or foreign country in which the licensee is a resident is terminated for any reason.

(d) [DENIAL.] (1) If the commissioner finds that an applicant for a resident or nonresident license has not fully met the requirements for licensing, the commissioner shall refuse to issue the license and shall promptly give written notice to both the applicant and the appointing insurer of the denial, stating the grounds for the denial. All fees which accompanied the application and appointment shall be deemed earned and shall not be refundable.

(2) The commissioner may also deny issuance of a license for any cause that would subject the license of a licensee to suspension or revocation. If a license is denied pursuant to this clause, the provisions of subdivision 6c, paragraph (c) apply.

(3) The applicant may make a written demand upon the commissioner for a hearing within 30 days of the denial of a license to determine whether the reasons stated for the denial were lawful. The hearing shall be held pursuant to chapter 14.

(e) [TERM.] All licenses issued pursuant to this section shall remain in force until voluntarily terminated by the licensee, not renewed as prescribed in subdivision 1d, or until suspended or revoked by the commissioner. A voluntary termination shall occur when the license is surrendered to the commissioner with the request that it be terminated or when the licensee dies, or when the licensee is dissolved or its existence is terminated. In the case of a nonresident license, a voluntary termination shall also occur upon the happening of the event described in paragraph (c), clause (3).

Every licensed agent shall notify the commissioner within 30 days of any change of name, address, or information contained in the application.

(f) [SUBSEQUENT APPOINTMENTS.] A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided, that the licensee has permission from

the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9). The notice of appointment shall be on a form prescribed by the commissioner.

(g) [AMENDMENT OF LICENSE.] An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section 60A.14, subdivision 1, paragraph (c).

An applicant who surrenders an insurance license pursuant to this clause retains licensed status until an amended license is received.

(h) [EXCEPTIONS.] The following are exempt from the general licensing requirements prescribed by this section:

(1) agents of township mutuals who are exempted pursuant to subdivision 1b;

(2) fraternal beneficiary association representatives exempted pursuant to subdivision 1c;

(3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer; provided that a licensed agent must participate in the sale of any such insurance;

(4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided, that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications therefor;

(5) employees of a creditor who enroll debtors for life or accident and health insurance; provided the employees receive no commission or fee therefor; and

(6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the

office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums.

Sec. 2. Minnesota Statutes 1984, section 60A.17, is amended by adding a subdivision to read:

Subd. 20. [TAX CLEARANCE CERTIFICATE.] (a) The commissioner may not issue or renew a license under this section if the commissioner of revenue notifies the commissioner and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The commissioner may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the commissioner. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) In lieu of the notice and hearing requirements of subdivisions 6c and 6d, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) The commissioner shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the commissioner must provide to the commissioner of revenue a list of all licensees and applicants,

including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.

Sec. 3. Minnesota Statutes 1984, section 82.22, subdivision 3, is amended to read:

Subd. 3. [RE-EXAMINATIONS.] An examination may be required before the renewal of any license which has been suspended, or before the issuance of a license to any person whose license has been ineffective for a period of one year, except no re-examination shall be required of any individual who has failed to cause renewal of an existing license because of absence from the state while on active duty with the armed services of the United States of America, and no re-examination shall be required of an individual whose license has not been renewed under section 82.27, subdivision 7.

Sec. 4. Minnesota Statutes 1984, section 82.27, is amended by adding a subdivision to read:

Subd. 7. [TAX CLEARANCE CERTIFICATE.] (a) *In addition to the provisions of subdivision 1, the commissioner may not issue or renew a license if the commissioner of revenue notifies the commissioner and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The commissioner may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the commissioner. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.*

(b) *For purposes of this subdivision, the following terms have the meanings given.*

(1) *"Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.*

(2) *"Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.*

(c) *In lieu of the notice and hearing requirements of subdivisions 3, 4, 5, and 6, when a licensee or applicant is required to ob-*

tain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) The commissioner shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the commissioner must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.

Sec. 5. Minnesota Statutes 1985 Supplement, section 147.021, is amended by adding a subdivision to read:

Subd. 7. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the provisions of subdivision 1, the board may not issue or renew a license if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) *In lieu of the notice and hearing requirements of subdivision 1, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.*

(d) *The board shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.*

Sec. 6. Minnesota Statutes 1984, section 148.10, is amended by adding a subdivision to read:

Subd. 5. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the grounds provided in subdivision 1, the board may not issue or renew a license to practice chiropractic if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) *For purposes of this subdivision, the following terms have the meanings given.*

(1) *"Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.*

(2) *"Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.*

(c) *In lieu of the notice and hearing requirements of subdivisions 3 and 4, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.*

(d) *The board shall require all licensees or applicants of a license to practice chiropractic to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants for a license to practice chiropractic, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.*

Sec. 7. Minnesota Statutes 1984, section 150A.08, is amended by adding a subdivision to read:

Subd. 9. [TAX CLEARANCE CERTIFICATE.] (a) In addition to the grounds provided in subdivision 1 and notwithstanding subdivision 3, the board may not issue or renew a license to practice dentistry if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) *For purposes of this subdivision, the following terms have the meanings given.*

(1) *"Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.*

(2) *"Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount*

or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) In lieu of the notice and hearing requirements of subdivision 8, when a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) The board shall require all licensees or applicants for a license to practice dentistry to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants for a license to practice dentistry including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.

Sec. 8. Minnesota Statutes 1985 Supplement, section 270.063, is amended to read:

270.063 [COLLECTION OF DELINQUENT TAXES.]

For the purpose of collecting delinquent state tax liabilities (FROM TAXPAYERS WHO DO NOT RESIDE OR ARE NOT LOCATED IN MINNESOTA), there is appropriated to the commissioner of revenue an amount representing the cost of collection, not to exceed one-third of the amount collected 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. The commissioner shall report quarterly on the status of this program to the chairmen 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 (OUT OF STATE) of delinquent tax liabilities owed to the commissioner of revenue.

Sec. 9. Minnesota Statutes 1985 Supplement, section 270.69, subdivision 2, is amended to read:

Subd. 2. [FILING OF LIENS NECESSARY FOR ENFORCEABILITY AGAINST CERTAIN PERSONS.] The lien imposed by subdivision 1 is not enforceable against any purchaser, mortgagee, pledgee, holder of a uniform commercial code security interest, mechanic's lienor, or judgment lien creditor, until a notice of lien has been filed by the commissioner of revenue in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or which is a corporation, partnership, or other organization, in the office of the secretary of state. (THE INDEXING OF LIENS FILED PURSUANT TO THIS SUBDIVISION AND, NOTWITHSTANDING SECTION 386.77, THE FEES CHARGED FOR SUCH FILING AND INDEXING, SHALL BE AS PRESCRIBED IN SECTIONS 272.483 AND 272.484.) *Notwithstanding any other law to the contrary, the department of revenue is exempt from the payment of fees at the time the lien is offered for filing or recording. The fee for filing or recording the lien must be paid at the time the release of lien is offered for filing or recording. Notwithstanding any law to the contrary, the fee for filing or recording the lien or the release of lien is \$15.*

Sec. 10. Minnesota Statutes 1985 Supplement, section 270.69, subdivision 3, is amended to read:

Subd. 3. [EXEMPT PROPERTY.] The lien imposed on personal property by this section, even though properly filed, is not enforceable against a purchaser with respect to tangible personal property purchased at retail, or against the personal property listed as exempt in sections 550.37, 550.38, and 550.39 (, OR AGAINST THE HOMESTEAD OF THE TAXPAYER AS DEFINED IN CHAPTER 510).

Sec. 11. Minnesota Statutes 1985 Supplement, section 270.69, subdivision 4, is amended to read:

Subd. 4. [PERIOD OF LIMITATIONS.] The lien imposed by this section shall, notwithstanding any other provision of law to the contrary, be enforceable from the time the lien arises and for ten years from the date of filing the notice of lien, which must be filed by the commissioner within five years after the date of assessment of the tax. A notice of lien filed in one county may be transcribed to any other county within ten years after the date of its filing, but the transcription shall not

extend the period during which the lien is enforceable. *A notice of lien may be renewed by the commissioner before the expiration of the ten-year period for an additional ten years. The taxpayer must be mailed a copy of the renewal.*

Sec. 12. Minnesota Statutes 1984, section 270.69, is amended by adding a subdivision to read:

Subd. 10. [LIMITATION FOR HOMESTEAD PROPERTY.] A lien imposed under this section upon property defined as homestead property in chapter 510 may not be enforced against homestead property by levy under section 270.70, or by judgment lien under chapter 550.

Sec. 13. Minnesota Statutes 1984, section 270.72, subdivision 1, is amended to read:

Subdivision 1. [TAX CLEARANCE REQUIRED.] The state or a political subdivision of the state may not issue, *transfer*, or renew a license for the conduct of a profession, trade, or business, if the commissioner notifies the licensing authority that the applicant owes the state delinquent taxes, penalties, or interest. The commissioner may not notify the licensing authority unless the applicant taxpayer owes (\$1,000) \$500 or more in delinquent taxes. A licensing authority that has received a notice from the commissioner may issue, *transfer*, or renew the applicant's license only if (a) the commissioner issues a tax clearance certificate and (b) the commissioner or the applicant forwards a copy of the clearance to the authority. The commissioner may issue a clearance certificate only if the applicant does not owe the state any uncontested delinquent taxes, penalties, or interest.

Sec. 14. Minnesota Statutes 1984, section 270.72, subdivision 2, is amended to read:

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

(a) "Taxes" are limited to withholding tax as provided in section 290.92, sales and use tax as provided in chapter 297A, and motor vehicle excise tax as provided in chapter 297B. Penalties and interest are limited to penalties and interest due on taxes included in this definition.

(b) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.

(c) "Applicant" means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership. *"Applicant" also means an officer of a corporation or a member of a partnership who is liable for the delinquent taxes pursuant to section 270.10, subdivision 4, either for the entity for which the license is at issue or for another entity for which the liability was incurred, or personally as a licensee.*

Sec. 15. Minnesota Statutes 1984, section 270.72, subdivision 3, is amended to read:

Subd. 3. [NOTICE AND HEARING.] If the commissioner notifies a licensing authority pursuant to subdivision 1, he must send a copy of the notice to the applicant. (IN THE CASE OF THE RENEWAL OF A LICENSE) If the applicant requests, in writing, within 30 days of the (RECEIPT) date of the notice a hearing, a contested case hearing must be held. The hearing must be held within 45 days of the date the commissioner refers the case to the office of administrative hearings. (THE HEARING MUST BE HELD UNDER THE PROCEDURES PROVIDED BY SECTION 270A.09 AND THE ADMINISTRATIVE RULES PROMULGATED UNDER CHAPTER 270A.) *Notwithstanding any law to the contrary, the applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the applicant. The notice may be served personally or by mail.*

Sec. 16. Minnesota Statutes 1985 Supplement, section 270.76, is amended to read:

270.76 [INTEREST ON REFUNDS.]

When any tax payable to the commissioner of revenue or to the department of revenue is overpaid and an amount is due the taxpayer as a refund of the overpayment, the overpayment shall bear interest from the date of payment of the tax until the date the refund is paid or credit is made, unless another period for computing interest is provided by law. The interest rate per annum on overpayments shall be (80 PERCENT OF) the interest rate contained in section 270.75, subdivision 5; the rate shall be adjusted annually and become effective as provided in section 270.75, subdivision 5 (; AND THE RESULT OF THE ADJUSTMENT IN THE RATE SHALL BE ROUNDED TO THE NEAREST FULL PERCENT). The determination of the commissioner pursuant to this subdivision is not a "rule" and is not subject to the administrative procedure act contained in chapter 14.

Sec. 17. Minnesota Statutes 1985 Supplement, section 273.124, is amended by adding a subdivision to read:

Subd. 13. [SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.] Beginning with the January 2, 1987 assessment, every property owner applying for homestead classification must furnish to the county assessor that owner's social security number. 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.

At the request of the commissioner, each county must give the commissioner a listing that includes the name and social security number of each property owner applying for homestead classification.

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 credit that had been improperly allowed. A penalty equal to 25 percent of the homestead credit is imposed on a property owner who claims a homestead credit on property which is not a homestead. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead credit plus a penalty equal to 25 percent of the homestead credit. 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 credit and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead credit recovered from the property owner must be transmitted to the commissioner by the end of each month. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. 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.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 18. Minnesota Statutes 1984, section 290.53, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO MAKE AND FILE RETURN.] 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 *or subtracted from the refund* in lieu of the penalty provided in subdivision 1: *ten percent of the amount of tax unpaid* 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; *or ten percent of the amount of the refund claimed if the failure is for more than 60 but less than 90 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.*

In addition to the penalty imposed above, in the case of a failure to file a return of tax imposed by this chapter within 60 days of the date prescribed for filing of the return (determined with regard to any extensions of time for filing), (WHERE THE RETURN HAS BEEN DEMANDED BY THE COMMISSIONER UNDER THE PROVISIONS OF SECTION 290.47, THE AMOUNT) there shall be added to the tax (UNDER THIS SUBDIVISION SHALL NOT BE LESS THAN) or subtracted from the refund the lesser of (\$50) (i) \$100 or (ii) 100 percent of either the amount (REQUIRED TO BE SHOWN AS THE AMOUNT) of tax which is due (WITH THE RETURN) or the amount of the refund.

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 the 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. 19. Minnesota Statutes 1984, section 290.61, is amended to read:

290.61 [PUBLICITY OF RETURNS, INFORMATION.]

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars set forth or disclosed in any report or return required by this chapter, or any information concerning, the taxpayer's affairs acquired from his or its records, officers, or employees while examining or auditing any taxpayer's liability for taxes imposed hereunder, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such return or to comply with the provisions of sections 256.978, 268.12, subdivision 12, 270A.11, 273.1314, subdivision 16, 290.612 and 302A.821. The commissioner may furnish a copy of any taxpayer's return, including audit documents and information, to any official of the United States or of any state having duties to perform in respect to the assessment or collection of any tax imposed upon or measured by income, if such taxpayer is required by the laws of the United States or of such state to make a return therein. Prior to the release of any information to any official of the United States or any other state under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected under the laws of the state of Minnesota. The commissioner and all other public officials and employees shall keep and maintain the same secrecy in respect to any information furnished by any department, commission, or official of the United States or of any other state in respect to the income of any person as is required by this section in respect to information concerning the affairs of taxpayers under this chapter. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the items thereof. Upon request of a majority of the members of the senate tax committee or of the house tax committee or the tax study commission, the commissioner shall furnish abstracted financial information to those committees for research purposes from returns or reports filed pursuant to this chapter, provided that he shall not disclose the name, address, social security number, business identification number or any other item of information associated with any return or report which the commissioner believes is likely to identify the taxpayer. The commissioner shall not furnish the actual return, or a portion thereof, or a reproduction or copy of any return or portion thereof. "Abstracted financial information" means only the dollar amounts set forth on each line on the form including the filing status.

Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

In order to locate the named payee on state warrants issued pursuant to this chapter or chapter 290A and undeliverable by the United States postal service, the commissioner may publish in any newspaper of general circulation in this state or make available to radio or television stations a list of the name and last known address of the payee as shown on the reports or returns filed with the commissioner. The commissioner may exclude the names of payees whose refunds are in an amount which is less than a minimal amount to be determined by the commissioner. The list shall not contain any particulars set forth on any report or return. The publication or announcement shall include instructions on claiming the warrants.

An employee of the department of revenue may, in connection with his official duties relating to any audit, collection activity, or civil or criminal tax investigation or any other offense under this chapter, disclose return information to the extent that such disclosure is necessary in obtaining information, which is not otherwise reasonably available, with respect to the correct determination of tax, liability for tax, or the amount to be collected or with respect to the enforcement of any other provision of this chapter.

In order to facilitate processing of returns and payments of taxes required by this chapter, or to facilitate the development, implementation, and use of computer programs and automated procedures for purposes of administering this chapter or chapter 290A, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed will be administered by the vendor consistent with this section, and the vendor must agree to subject himself and his employees to the civil and criminal penalties provided by law for unlawful disclosure.

Information from a tax return required under this chapter on a holder of a license issued by the Minnesota racing commission or an owner of a horse may be provided by the commissioner to the Minnesota racing commission.

The commissioner may provide to the Minnesota supreme court and the board of professional responsibility information regarding the amount of any uncontested delinquent taxes due under this chapter or a failure to file a return due under this chapter by an attorney admitted to practice law in this state under chapter 481.

Sec. 20. Minnesota Statutes 1984, section 297A.01, subdivision 9, is amended to read:

Subd. 9. "Gross receipts" means the total amount received, in money or otherwise, for all sales at retail *and all sales by wholesalers of intoxicating liquor, as defined in section 340A.101, subdivision 28*, as measured by the sales price. Gross

receipts from sales may, at the option of the taxpayer, be reported on the cash basis as the consideration is received or on the accrual basis as sales are made.

Sec. 21. Minnesota Statutes 1984, section 297A.02, is amended by adding a subdivision to read:

Subd. 5. [WHOLESALERS OF INTOXICATING LIQUOR.] Notwithstanding the provisions of subdivision 1, a tax is imposed in the amount of 14.6 percent on the gross receipts from the sales of intoxicating liquor, as defined in section 340A.101, subdivision 14, by any wholesaler, as defined in section 340A.101, subdivision 28, to any on-sale or off-sale municipal liquor store or other establishment licensed to sell any type of intoxicating liquor. Notwithstanding the provisions of this section, the tax for the month of July, 1986, shall be computed using the average gross receipts of the wholesaler from the sale of intoxicating liquor during the months of May, June, and July, 1986.

Sec. 22. Minnesota Statutes 1984, section 297A.03, subdivision 2, is amended to read:

Subd. 2. It shall be unlawful for any retailer or any wholesaler of intoxicating liquor to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer or any wholesaler of intoxicating liquor, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax of one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is eight cents or less, no tax shall be collected. Any person violating this provision shall be guilty of a misdemeanor.

Sec. 23. [297A.031] [INTOXICATING LIQUOR WHOLESALERS.]

Subdivision 1. Every wholesaler of intoxicating liquor subject to the provisions of section 297A.02, subdivision 5, shall file with the commissioner an application for a permit as provided in section 297A.04.

Subd. 2. Every wholesaler required to collect the tax imposed by section 297A.02, subdivision 5, shall keep records of every charge and all amounts paid, charged, or due thereon and the tax payable thereon, in such form as the commissioner may require. Records must include a true copy of each invoice, receipt, statement, or memorandum upon which a tax was required to be collected.

Subd. 3. The tax imposed by section 297A.02, subdivision 5, which is to be reported and paid to the commissioner, is subject to all penalty, interest, and enforcement provisions of this chapter.

Sec. 24. Minnesota Statutes 1984, 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 *or acting as a wholesaler of intoxicating liquor* 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 his 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 297A.27, subdivision 2, 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 his 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 an association or partnership; by a person authorized to sign the application, if the owner be a corporation.

Sec. 25. Minnesota Statutes 1984, section 297A.08, is amended to read:

297A.08 [SALES WITHOUT PERMITS, VIOLATIONS.]

A person who engages in the business of making retail sales *or acts as a wholesaler of intoxicating liquor* in Minnesota without the required permit or permits, and each officer of any corporation which so engages in business, is guilty of a gross misdemeanor.

Any person who engages in the business of making retail sales *or acts as a wholesaler of intoxicating liquor* in Minnesota after revocation of the permit under section 297A.07, and each officer of any corporation which so engages in business, when the commissioner has not issued a new permit, is guilty of a felony.

Sec. 26. Minnesota Statutes 1984, section 297A.18, is amended to read:

297A.18 [ADVERTISING NO TAX; MINIMUM TAX.]

It shall be unlawful for any retailer or *wholesaler of intoxicating liquor* to advertise or hold out or state to the public or to any customer, directly or indirectly, that the use tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax of one-half cent or more may be considered an additional cent.

Sec. 27. [297A.258] [EXEMPTION FOR INTOXICATING LIQUOR.]

Notwithstanding the provisions of this chapter, all sales at retail of intoxicating liquor, as defined in section 340A.101, subdivision 14, are exempt from the tax imposed in section 297A.02, subdivision 1.

Sec. 28. Minnesota Statutes 1984, section 297A.27, subdivision 1, is amended to read:

Subdivision 1. Except as provided in section 297A.275, on or before the 25th day of each month in which taxes imposed by sections 297A.01 to 297A.44 are payable, a return for the preceding reporting period shall be filed with the commissioner in such form as the commissioner may prescribe, verified by a written declaration that it is made under the criminal penalties for wilfully making a false return, and in addition shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid. Any person making sales at retail or *acting as a wholesaler of intoxicating liquor* at two or more places of business may file a consolidated return subject to such regulations as the commissioner may prescribe.

Sec. 29. Minnesota Statutes 1984, section 297A.275, is amended to read:

297A.275 [ACCELERATED PAYMENT OF JUNE LIABILITY.]

Every vendor, *except a wholesaler of intoxicating liquor*, having a liability of \$1,500 or more in May 1982 or in May of each subsequent year, shall remit the June liability in the manner required by this section.

On or before June 25, 1982, or June 25 of each subsequent year, the vendor shall remit the actual May liability and one-half of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

On or before August 25, 1982, or August 25 of each subsequent year, the vendor 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 percent of the actual June liability, or (b) 50 percent of the preceding May's liability.

Sec. 30. Minnesota Statutes 1984, section 297A.28, is amended to read:

297A.28 [SECURITY.]

Whenever he deems it necessary to insure compliance with sections 297A.01 to 297A.44 the commissioner may require a retailer or a wholesaler of intoxicating liquor subject thereto to deposit with him security in such form and in such amount as he may determine but not more than twice the estimated average liability for the period for which the returns are required to be filed, or \$10,000, whichever amount is the lesser. The amount of security may be increased or decreased by the commissioner, subject to the limitations herein provided. The commissioner may sell property deposited as security at public auction if necessary in order to recover any tax or any amount required to be collected, including interest and penalties, if any. Notice of the sale must be served upon the person who deposited the security personally, or by mail in the manner hereinafter prescribed for the service of a notice of a deficiency. After any sale any surplus above the amount due not required as security under this section shall be returned to the person who deposited the security. In lieu of security, the commissioner may require a retailer or a wholesaler of intoxicating liquor to file a bond, issued by a surety company authorized to transact business in this state and approved by the commissioner of commerce as to solvency and responsibility.

Sec. 31. Minnesota Statutes 1984, section 297A.43, is amended to read:

297A.43 [CONFIDENTIAL NATURE OF INFORMATION.]

It shall be unlawful for the commissioner or any other public official or employee to divulge or otherwise make known in any manner any particulars disclosed in any report or return

required by sections 297A.01 to 297A.44, or any information concerning the affairs of the person making the return acquired from his records, officers, or employees while examining or auditing under the authority of sections 297A.01 to 297A.44, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making such report or return or to comply with the provisions of section 297A.431 or where a question arises as to the proper tax applicable, that is, sales or use tax. In the latter instance, the commissioner may furnish information to a buyer and a seller with respect to the specific transaction in question. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and the contents thereof. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

The commissioner may enter into an agreement with the commissioner or other taxing officials of another state for the interpretation and administration of the acts of their several states providing for the collection of a sales and/or use tax for the purpose of promoting fair and equitable administration of such acts and to eliminate double taxation.

Notwithstanding the above provisions of this section, the commissioner, at his discretion, in order to implement the purposes of this chapter, may furnish information on a reciprocal basis to the taxing officials of another state, or to the taxing officials of any municipality of the state of Minnesota which has a local sales and/or use tax.

The commissioner may furnish to the Minnesota supreme court and the board of professional responsibility information regarding the amount of any uncontested delinquent taxes due under this chapter or a failure to file a return due under this chapter by an attorney admitted to practice law in this state under chapter 481.

In order to facilitate processing of returns and payments of taxes required by this chapter, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed will be administered by the vendor consistent with this section.

Sec. 32. Minnesota Statutes 1984, section 326.20, is amended by adding a subdivision to read:

Subd. 4. [TAX CLEARANCE CERTIFICATE.] (a) Notwithstanding subdivisions 1 and 2, the board may not issue or renew a license under sections 326.165 to 326.231 if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The

board may issue or renew the license only if (1) the commissioner of revenue issues a tax clearance certificate and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) When a licensee or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) The board shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.

Sec. 33. [340A.318] [CREDIT EXTENSIONS RESTRICTED.]

Subdivision 1. [RESTRICTION.] Except as provided in this section, no retail licensee may accept or receive credit, other than merchandising credit in the ordinary course of business for a period not to exceed 30 days, from a distiller, manu-

facturer, or wholesaler of distilled spirits or wine, or agent or employee thereof. No distiller, manufacturer or wholesaler may extend the prohibited credit to a retail licensee. No retail licensee delinquent beyond the 30 day period shall solicit, accept or receive credit or purchase or acquire distilled spirits or wine directly or indirectly, and no distiller, manufacturer or wholesaler shall knowingly grant or extend credit nor sell, furnish or supply distilled spirits or wine to a retail licensee who has been posted delinquent under subdivision 3. No right of action shall exist for the collection of any claim based upon credit extended contrary to the provisions of this section.

Subd. 2. [REPORTING.] Every distiller, manufacturer or wholesaler selling to retailers shall submit to the commissioner in triplicate not later than Thursday of each calendar week a verified list of the names and addresses of each retail licensee purchasing distilled spirits or wine from that distiller, manufacturer or wholesaler who, on the first day of that calendar week, was delinquent beyond the 30 day period, or a verified statement that no delinquencies exist which are required to be reported. If a retail licensee previously reported as delinquent cures the delinquency by payment, the name and address of that licensee shall be submitted in triplicate to the commissioner not later than the close of the second full business day following the day the delinquency was cured.

Subd. 3. [POSTING; NOTICE.] Verified list or statements required by subdivision 2 shall be posted by the commissioner in offices of the department in places available for public inspection and mailed to each licensed wholesaler not later than the day following receipt. Documents so posted and mailed shall constitute notice to every distiller, manufacturer or wholesaler of the information posted. Actual notice, however received, also constitutes notice.

Subd. 4. [MISCELLANEOUS PROVISIONS.] The 30 day merchandising period allowed by this section shall commence with the day immediately following the date of invoice and shall include all successive days, including Sundays and holidays, to and including the 30th successive day. In addition to other legal methods, payment by check during the period for which merchandising credit may be extended shall be considered payment. All checks received in payment for distilled spirits or wine shall be deposited promptly for collection. A postdated check or a check dishonored on presentation for payment does not constitute payment. A retail licensee shall not be deemed delinquent for any alleged sale in any instance where there exists a bona fide dispute between the licensee and the distiller, manufacturer or wholesaler as to the amount owing as a result of the alleged sale. A delinquent retail licensee who engages in the retail liquor business at two or more locations shall be deemed to be delinquent with respect to each location.

Subd. 5. [LICENSE SUSPENSION OR REVOCATION.] The license of any retail licensee, distiller, manufacturer or wholesaler violating any provision of this section shall be subject to suspension or revocation in the manner provided by this chapter.

Sec. 34. [REPEALER.]

(a) Minnesota Statutes 1984, section 270.72, subdivision 5, is repealed. Notwithstanding Minnesota Statutes, section 645.36, section 270.72, subdivisions 1 to 4 remain in effect without interruption.

(b) Minnesota Statutes 1984, section 297A.02, subdivision 3, is repealed.

Sec. 35. [EFFECTIVE DATES.]

Sections 8 to 15 are effective July 1, 1986. Section 16 is effective for interest earned on overpayments after December 31, 1987. Section 18 is effective for taxable years beginning after December 31, 1985. Sections 1 to 7, 19, 31, 32, and 34, paragraph (a), are effective the day following final enactment. Sections 20 to 26 and 28 to 30 are effective for all sales on or after July 1, 1986. Sections 27 and 34, paragraph (b) are effective for all sales on or after August 1, 1986.

ARTICLE 12

PROPERTY TAX REFUND

Section 1. [1987 COMMERCIAL-INDUSTRIAL PROPERTY TAX REFUND.]

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

(1) "eligible property" means property with respect to which there are no delinquent taxes and which are classified in Minnesota Statutes, section 273.13, subdivisions 24 and 27 as follows:

(i) class 3a commercial and industrial property, excluding state assessed commercial and industrial property;

(ii) class 3b employment property; and

(iii) class 6a seasonal recreational commercial property;

(2) "net property taxes" means the gross tax exclusive of special assessments, penalties, and interest, less (i) any state

paid credits; (ii) any tax attributable to improvements made to the property since the January 2, 1985, assessment; and (iii) in the case of property in which only a portion of the parcel is eligible property, any property taxes which are attributable to the portion of the parcel which is not eligible property or are "property taxes payable" under section 290A.03, subdivision 13;

(3) "effective tax rate" means the net property taxes payable by the claimant in 1987, divided by the assessor's estimated market value of the property on the January 2, 1986, assessment; and

(4) "claimant" means an owner of eligible property. In the case of eligible property leased to tenants under a "net" lease in which the lessee is responsible for payment of all or a portion of the property taxes payable on the leased property, the owner of the property must file the claim allowed under this section. Payment to the owner under this section must be apportioned by the owner among the lessees in the ratio that the lessee's portion of the rent under the lease bears to the rent payable on the entire parcel and must be paid to the lessee or deducted from any payments due to the lessor by the lessee before October 15, 1987 or within ten working days after receipt of the payment, whichever is later.

Subd. 2. [REFUND ALLOWED.] The commissioner of revenue shall pay a property tax refund for property taxes payable in 1987 on eligible property, if the following conditions are met:

(1) the net property taxes payable on the property in 1987 exceed 105 percent of the taxes payable on that property in 1986; and

(2) the effective tax rate on the property exceeds four percent.

Subd. 3. [AMOUNT OF REFUND.] The amount of the refund is equal to one-half of the amount by which the increase in net property taxes payable on the property in 1987 over those payable in 1986 exceeds five percent.

Subd. 4. [FILING AND PAYMENT DATES.] (a) Claims must be filed with the department of revenue on or before August 15, 1987, on forms prepared by the commissioner of revenue. The provisions of Minnesota Statutes, section 290A.06, relating to the extension of time to file, reduction of the claim for late filing, and other time limits, apply to claims filed under this section. The claim must include a property tax statement issued by the county treasurer showing the classification of the property, amount of property taxes payable, name and address of the owner, and an indication that there are no delinquent property taxes on the property.

(b) Claims must be paid by the commissioner of revenue prior to September 30, 1987. Interest must be added at the rate specified in section 270.76, from September 30, 1987, until the day the claim is paid.

Subd. 5. [APPLICABILITY.] The provisions of Minnesota Statutes, sections 290A.11 to 290A.18, including the penalties imposed on tax return preparers under section 290A.112, apply to claims for refund under this section.

Subd. 6. [APPROPRIATION.] There is appropriated to the commissioner of revenue the amount necessary to make the payments required by this section in fiscal years 1988 and 1989.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for claims based on property taxes payable in 1987 only.

ARTICLE 13

FUND TRANSFERS

Section 1. Minnesota Statutes 1984, section 297B.09, subdivision 2, is amended to read:

Subd. 2. [HIGHWAY USER TAX DISTRIBUTION FUND AND TRANSIT ASSISTANCE FUND SHARE.] The proceeds collected under this chapter must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment in the following manner:

(a) None of the proceeds collected before July 1, 1984, or between July 1, 1985, and June 30, 1987, may be credited to either fund.

(b) 18.75 percent of the proceeds collected after June 30, 1984, and before July 1, (1987) 1985, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 6.25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(c) 37.5 percent of the proceeds collected after June 30, 1987, and before July 1, 1989, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 12.5 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(d) 56.25 percent of the proceeds collected after June 30, 1989, and before July 1, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 18.75 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(e) 75 percent of the proceeds collected after June 30, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

Sec. 2. [MOTOR VEHICLE EXCISE TAX TRANSFER.]

Notwithstanding any law to the contrary, tax proceeds under chapter 297B and the investment earnings on those proceeds credited to the highway user tax distribution fund and the transit assistance fund for the period after June 30, 1985, and before July 1, 1986, must be returned to the general fund on June 30, 1986.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1986. Section 2 is effective June 30, 1986."

Renumber the sections in sequence in all the articles as necessary

Renumber the cross-references in all the articles as necessary

Amend the title as follows:

Page 1, line 7, after the semicolon insert "providing for contingency expenditures;"

Page 1, line 14, after "protection;" insert "clarifying the income tax exclusion of income on the sale of certain agricultural property; repealing the suspension of inflation adjustments; proposing tax compliance measures; providing a sales tax on intoxicating liquor at the wholesale level; providing a property tax refund for certain commercial industrial property taxes for 1987 only; providing for the deposit of certain motor vehicle excise tax proceeds in the general fund; transferring funds from the highway user tax distribution fund and the transit assistance fund to the general fund; setting local government aids for 1987; changing certain reimbursement payment dates; prescribing sales ratio study requirements; extending the property tax

payment date by 30 days in the case of certain agricultural property; changing property tax distribution and settlement; changing the special homestead classification for certain disabled persons; providing penalties; appropriating money;”

Page 1, line 18, delete everything after the first semicolon

Page 1, line 19, delete everything through the second semicolon

Page 1, line 21, delete “and” and after “3a” insert “, and 5”

Page 1, line 23, after “subdivision 1;” insert “60A.17, by adding a subdivision;”

Page 1, line 25, delete “subdivisions” and insert “subdivision” and delete “and 2”

Page 1, line 26, after “subdivision 1;” insert “82.22, subdivision 3; 82.27, by adding a subdivision;”

Page 1, line 29, delete “112.36” and insert “112.35”

Page 1, line 45, after the first semicolon insert “121.495;” and after the second semicolon insert “121.934, subdivision 1; 124.195, subdivision 5;”

Page 2, line 5, after “144.69;” insert “148.10, by adding a subdivision; 150A.08, by adding a subdivision;”

Page 2, line 10, after the second semicolon insert “237.30;”

Page 2, line 11, after “239.10;” delete “240.16, subdivision 5;” and after the second semicolon insert “256.98;”

Page 2, line 12, after the first semicolon insert “256B.07;”

Page 2, line 13, after the first semicolon insert “256D.05, by adding a subdivision;” and after “subdivision 5;” insert “270.12, subdivision 2; 270.69, by adding a subdivision; 270.72, subdivisions 1, 2, and 3;”

Page 2, line 16, after “subdivision 5;” insert “276.09; 276.10; 276.11; 278.03; 279.01, as amended;”

Page 2, line 16, after “subdivision 1;” insert “290.53, subdivision 2; 290.61;”

Page 2, line 16, after “296.13;” insert “297A.01, subdivision 9; 297A.02, by adding a subdivision; 297A.03, subdivision 2; 297A.04; 297A.08; 297A.18; 297A.27, subdivision 1; 297A.275; 297A.28; 297A.43; 297B.09, subdivision 2;”

Page 2, line 18, after the second “subdivision 3;” insert “326.20, by adding a subdivision;”

Page 2, line 20, after "7;" insert "462A.03, subdivision 10;"

Page 2, line 23, after "473.448;" insert "477A.015;"

Page 2, line 25, after "subdivision 8;" insert "40A.03, subdivision 2;" and delete "41A.03,"

Page 2, delete lines 26 and 27

Page 2, line 28, after "subdivision 1;" insert "60A.17, subdivision 1a;"

Page 2, line 33, after "2;" insert "116M.07, subdivisions 7a, 7b, and 7c;"

Page 2, line 34, delete " , subdivision 1"

Page 2, line 38, before "173.085," insert "147.021, by adding a subdivision;" and after the second semicolon insert "214.06, subdivision 1;"

Page 2, line 47, before "270A.07," insert "270.063; 270.69, subdivisions 2, 3, and 4; 270.76;"

Page 2, line 48, after "subdivision 1;" insert "273.124, by adding a subdivision; 273.13, subdivisions 15a and 22;"

Page 2, line 49, after "subdivision 2;" insert "278.05, subdivision 5; 290.491;"

Page 2, line 51, delete "472.03,"

Page 2, delete line 52

Page 2, line 53, delete everything before "Laws" and insert "477A.011, subdivisions 10 and 12; 477A.012; 477A.013;"

Page 2, line 55, delete "section" and insert "sections"

Page 2, line 56, delete "chapter 19, section" and insert "and"

Page 2, line 59, delete the first "section" and insert "sections 1; 4, subdivisions 1, 9, 10, and 11; 5, subdivisions 1, 2, and 6; 7; 8; 9; 10, subdivision 1; and"

Page 3, line 2, after "256;" insert "276; 297A;"

Page 3, line 6, after the first semicolon insert "19.64, subdivision 5;"

Page 3, line 6, after "subdivisions" insert "1," and after "3," insert "4, 6," and delete "and" and after "10" insert " , 12, 13, 14, and 15"

Page 3, line 7, delete "subdivision" and insert "subdivisions" and before the first semicolon insert "and 4"

Page 3, line 7, after the second semicolon insert "41A.05, subdivision 4; 41A.06, subdivisions 1, 2, 3, and 4;"

Page 3, line 7, after the third semicolon insert "42.06, subdivision 4;"

Page 3, line 9, delete the last comma

Page 3, line 10, delete "subdivisions 1, 1a, and 3"

Page 3, line 10, after the last semicolon insert "105.751;"

Page 3, line 11, delete "112.36" and insert "112.35"

Page 3, line 14, after "116J.035" insert ", as amended"

Page 3, line 27, after "116L.03" insert ", as amended" and after "116L.04" insert ", as amended"

Page 3, line 31, delete "subdivision" and insert "subdivisions 1, 2, 3, 4, 5," and after "6" insert ", and 7"

Page 3, line 34, after "116M.10" insert ", as amended"

Page 3, line 37, after "161.1419" insert ", as amended" before "177.41" insert "176.611, subdivisions 3 and 4;"

Page 3, line 39, after "4;" insert "270.72, subdivision 5; 297A.02, subdivision 3;"

Page 3, line 43, after the first semicolon insert "472.01; 472.02;" and delete "subdivision" and insert "subdivisions 1," and after "2" insert ", 3, 4, 5, 6, 7, 8, 10, 11, 12, and 13"

Page 3, line 43, before "Minnesota" insert "472.04; 472.05; 472.06; 472.07; 472.08, subdivision 2; 472.09; 472.10; 472.11, subdivisions 1, 2, 4, 5, 6, 7, and 8; 472.12;"

Page 3, line 46, delete "subdivision" and insert "subdivisions 5," and before the first semicolon insert ", 7a, 8, and 11"

Page 3, line 46, delete "and" and insert a comma and after "3" insert ", and 5"

Page 3, line 47, delete "and" and insert a comma, and after "3" insert ", and 4"

Page 3, line 47, after the first semicolon insert "41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivisions 1 and 5;"

Page 3, line 53, delete "7a, 7b, 7c,"

Page 3, line 55, delete everything up through the first semi-colon

Page 3, line 58, before "474.17," insert "290.06, subdivision 2f; 472.03, subdivision 9; 472.08, subdivision 1; 472.11, subdivisions 3 and 9; 472.125; 472.13; 472.14; 472.15; 472.16;"

With the recommendation that when so amended the bill pass.

CALL OF THE HOUSE

On the motion of Norton and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, R.	Dimler	Knickerbocker	Otis	Solberg
Backlund	Dyke	Knuth	Ozment	Sparby
Battaglia	Elioff	Krueger	Pappas	Stanius
Beard	Erickson	Kvam	Pauly	Staten
Becklin	Fjoslien	Levi	Peterson	Sviggum
Begich	Forsythe	Lieder	Piepho	Thiede
Bennett	Frederick	Long	Piper	Thorson
Bishop	Frederickson	McEachern	Poppenhagen	Tjornhom
Blatz	Greenfield	McLaughlin	Redalen	Tomlinson
Boerboom	Gruenes	McPherson	Rees	Tompkins
Boo	Gutknecht	Metzen	Richter	Uphus
Brandl	Halberg	Miller	Rodosovich	Valan
Brown	Hartle	Minne	Rose	Valento
Burger	Haukoos	Munger	Scheid	Vanasek
Carlson, D.	Heap	Murphy	Schoenfeld	Vellenga
Carlson, J.	Himle	Nelson, D.	Seaberg	Voss
Carlson, L.	Jacobs	Nelson, K.	Segal	Waltman
Clark	Jaros	Ogren	Shaver	Wenzel
Clausnitzer	Johnson	Olsen, S.	Sherman	Wynia
Cohen	Kalis	Onnen	Simoneau	Zaffke
Dempsey	Kiffmeyer	Osthoff	Skoglund	Spk. Jennings, D.

Levi moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Norton moved that the committee report on H. F. No. 1766 be rejected.

A roll call was requested and properly seconded.

The question was taken on the Norton motion and the roll was called.

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

There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Kahn	Murphy	Quinn	Staten
Beard	Kalis	Nelson, D.	Rest	Tomlinson
Brandl	Kelly	Nelson, K.	Rice	Tunheim
Brinkman	Knuth	Norton	Riveness	Vanasek
Brown	Kostohryz	O'Connor	Rodesovich	Vellenga
Carlson, L.	Krueger	Ogren	Sarna	Voss
Clark	Lieder	Olson, E.	Scheid	Welle
Cohen	Long	Osthoff	Schoenfeld	Wenzel
Elioff	McEachern	Otis	Segal	Wynia
Greenfield	McLaughlin	Pappas	Simoneau	
Jacobs	Metzen	Peterson	Skoglund	
Jaros	Minne	Piper	Solberg	
Jennings, L.	Munger	Price	Sparby	

Those who voted in the negative were:

Anderson, R.	Dimler	Hcap	Onnen	Sherman
Backlund	Dyke	Himle	Ozment	Stanius
Becklin	Erickson	Johnson	Pauly	Sviggum
Bennett	Fjoslien	Kiffmeyer	Piepho	Thiede
Bishop	Forsythe	Knickerbocker	Poppenhagen	Thorson
Blatz	Frederick	Kvam	Quist	Tjornhom
Boerboom	Frederickson	Levi	Redalen	Tompkins
Boo	Frerichs	Marsh	Rees	Uphus
Burger	Cruenes	McDonald	Richter	Valan
Carlson, D.	Gutknecht	McKasy	Rose	Valento
Carlson, J.	Halberg	McPherson	Schafer	Waltman
Clausnitzer	Hartinger	Miller	Schreiber	Zaffke
Dempsey	Hartle	Olsen, S.	Seaberg	Spk. Jennings, D.
DenOuden	Haukoos	Omann	Shaver	

The motion did not prevail.

POINT OF ORDER

Voss raised a point of order pursuant to rule 6.9 relating to the substitution of bills. The Speaker ruled the point of order not well taken.

The question recurred on the adoption of the report on H. F. No. 1766, as amended by the Committee on Rules and Legislative Administration. The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 325, 1345, 1727, 1764, 1782, 1801, 1838, 1842, 1865, 1877, 1883, 1912, 1915, 1947, 2023, 2064, 2075, 2100, 2230 and 1766 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced :

Carlson, D.; Boerboom; Pauly; Anderson, G., and Valan introduced :

H. F. No. 2333, A bill for an act relating to transportation; providing for use of county state-aid highway funds on highways providing access to outdoor recreation areas; providing that motor vehicles do not exceed length restrictions, whether unladen or with load; defining tandem axles; providing for weight restrictions on highways including market arteries; increasing tax on gasoline and special fuel; reducing complement of department of transportation; creating legislative transportation commission; appropriating money; amending Minnesota Statutes 1984, sections 162.06, subdivision 5; 169.81, subdivision 2; 169.825, subdivisions 8, 10, and by adding a subdivision; 169.832, subdivision 11, and by adding a subdivision; and 296.02, subdivision 1b.

The bill was read for the first time and referred to the Committee on Transportation.

Shaver introduced :

H. F. No. 2334, A bill for an act relating to local government; providing for city capital improvement reserve funds; amending Minnesota Statutes 1984, section 471.57.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Carlson, D.; Solberg; Schoenfeld; Greenfield and Erickson introduced :

H. F. No. 2335, A bill for an act relating to the University of Minnesota; appropriating money for agricultural extension service and experiment station projects.

The bill was read for the first time and referred to the Committee on Education.

Olson, E. ; Schafer ; Redalen ; Dempsey and Sparby introduced :

H. F. No. 2336, A bill for an act relating to local government; permitting counties to establish public works reserve funds; amending Minnesota Statutes 1984, section 471.57.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Rose introduced :

H. F. No. 2337, A bill for an act relating to the environment; amending Minnesota Statutes 1985 Supplement, sections 116.46, by adding a subdivision; and 116.48, subdivision 4.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Sviggum and Heap introduced :

H. F. No. 2338, A bill for an act relating to employment; providing training opportunities for technically qualified individuals who may be exposed to hazardous substances, harmful physical agents, or infectious agents; amending Minnesota Statutes 1985 Supplement, section 182.653, subdivisions 4b, 4c, and 4f.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Rest and Segal introduced :

H. F. No. 2339, A bill for an act relating to public safety; creating the crimes of aggravated unlicensed operation of a motor vehicle in the first, second, third, and fourth degrees; providing for the seizure, impoundment, and forfeiture of a motor vehicle operated by a driver whose license or operating privilege is suspended or revoked; prescribing penalties for persons who operate unregistered motor vehicles on streets or highways; requiring mandatory imprisonment and other sanctions for persons convicted of driving while under the influence of alcohol or a controlled substance for a third time; amending Minnesota Statutes 1984, sections 168.09, subdivision 1; 168.10, subdivision 4; 169.121, by adding a subdivision; and 171.241; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 1984, section 171.24; Minnesota Statutes 1985 Supplement, section 169.129.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Clausnitzer introduced:

H. F. No. 2340, A bill for an act relating to insurance; health and accident; requiring health maintenance organizations to provide chiropractic care equivalent to that provided by health insurance; amending Minnesota Statutes 1984, sections 62A.15; and 62D.02, subdivision 7.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Sherman, Simoneau, Gutknecht, Dempsey and Sviggum introduced:

H. F. No. 2341, A bill for an act relating to retirement; Winona police relief association audit, reports, financing.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Sparby introduced:

H. F. No. 2342, A bill for an act relating to game and fish; establishing a program to compensate landowners and lessees for damages done by wild animals; appropriating money.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Begich introduced:

H. F. No. 2343, A bill for an act relating to transportation; providing for the terms of regional railroad authority commissioners; amending Minnesota Statutes 1984, section 398A.03, subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Boo, Begich and Minne introduced:

H. F. No. 2344, A bill for an act relating to counties; setting conditions for St. Louis county to appoint a county administrator; amending Minnesota Statutes 1984, section 375A.06, subdivision 5.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Rees introduced:

H. F. No. 2345, A bill for an act relating to retirement; payment of combined service annuities by last fund; amending Minnesota Statutes 1984, section 356.30, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Sparby introduced:

H. F. No. 2346, A bill for an act relating to the environment; disapproving a nuclear waste repository in Minnesota; making findings on economics of nuclear power; requiring a report from nuclear power generators on the economic feasibility of nuclear power; requiring nuclear power plants to be decommissioned by December 31, 1990; proposing coding for new law in Minnesota Statutes, chapters 116C and 216B.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Wynia introduced:

H. F. No. 2347, A bill for an act relating to commerce; regulating licensing of installers of certain low-voltage electrical systems; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 326.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Fjoslien introduced:

H. F. No. 2348, A bill for an act relating to retirement; making public employees retirement association membership optional for employees of county historical societies; amending Minnesota Statutes 1985 Supplement, section 353.01, subdivision 2a.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Thiede introduced:

H. F. No. 2349, A resolution memorializing Congress to propose an amendment to the United States Constitution allowing the states or Congress to override decisions of the United States Supreme Court and federal regulatory bodies in certain cases, or, alternately, applying to Congress for a constitutional convention to propose such an amendment.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Frerichs and Jennings, L., introduced:

H. F. No. 2350, A bill for an act relating to health; providing exemptions for certain air ambulance services; allowing certified first responders to drive certain basic life support transportation service vehicles; amending Minnesota Statutes 1984, sections 144.802, subdivision 5, and by adding a subdivision; and 144.804, subdivisions 1 and 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Dimler introduced:

H. F. No. 2351, A bill for an act relating to state real estate; permitting the sale of the old Shakopee correctional facility to the local government units.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Johnson introduced:

H. F. No. 2352, A bill for an act relating to small businesses; expanding limitations on eligibility for the set-aside and preference programs for small businesses owned and operated by socially or economically disadvantaged persons; defining "bona fide permanent place of business"; expanding the definition of a "socially or economically disadvantaged person"; imposing new conditions for participation in the set-aside and preference programs for small businesses owned and operated by socially or economically disadvantaged persons; amending Minnesota Statutes 1984, section 116J.68, subdivision 2; and Minnesota Statutes 1985 Supplement, sections 16B.19, subdivisions 5 and 6; 16B.22, subdivision 1; and 645.445, subdivision 5.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Rees introduced:

H. F. No. 2353, A bill for an act relating to environment; creating the waste management agency; transferring the duties of the waste management board and certain duties of the pollution control agency to the waste management agency; amending Minnesota Statutes 1984, sections 115A.03, by adding subdivisions; 115A.42; 115A.44; 115A.45; 115A.46, subdivision 1; 115A.51; 115A.53; 115A.917; amending Minnesota Statutes 1985 Supplement, sections 115A.49 and 115A.52; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1984, sections 115A.03, subdivision 3; 115A.04; 115A.05; 115A.13; 115A.14, subdivision 6; 115A.201; 115A.22, subdivision 4; and 115A.34.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Rees introduced:

H. F. No. 2354, A bill for an act relating to taxation; reducing the general sales and use tax rate; extending the sales and use tax to clothing; authorizing cities and towns to impose a local sales tax; providing for distribution of local sales tax revenues within the metropolitan area; amending Minnesota Statutes 1984, sections 115A.908, subdivision 1; 270.89; 297A.01, subdivisions 3 and 13; 297A.02, subdivision 1; 297A.255, subdivision 1; and 462.39, subdivision 1; and Minnesota Statutes 1985 Supplement, sections 297A.041; 297A.14; 297A.25, subdivision 1; 297A.256; 297B.03; proposing coding for new law in Minnesota Statutes, chapter 477A.

The bill was read for the first time and referred to the Committee on Taxes.

Wynia, McEachern, Vellenga, Greenfield and Segal introduced :

H. F. No. 2355, A bill for an act relating to health; requiring the licensure and regulation of home health care agencies and persons; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 144B.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Uphus, by request, introduced :

H. F. No. 2356, A bill for an act relating to agricultural finance; renaming the agricultural resource loan guaranty board; providing powers; authorizing the board to participate in loans; appropriating money; amending Minnesota Statutes 1984, section 41A.02, subdivisions 3 and 6; Minnesota Statutes 1985 Supplement, sections 41A.01; 41A.02, subdivision 11; and 41A.05, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 41A; repealing Minnesota Statutes 1984, section 41A.06, subdivision 2.

The bill was read for the first time and referred to the Committee on Agriculture.

Jennings, L., introduced :

H. F. No. 2357, A bill for an act relating to natural resources; changing eligibility requirements for waterbank agreements; providing requirements for the director of the division of waters; requiring the director to maintain current wetland values; amending drainage law definitions; prescribing payment of attorney fees on certain drainage issues appealed by the commissioner; prescribing general provisions for petitions; amending petition requirements; allowing drainage proceedings to be delayed; prescribing conditions for assessments against property within a municipality; prescribing extent of benefits and damages; requiring a benefits and damages statement and a property owners' report; authorizing easement to access drainage system; providing drainage liens to be recorded against tracts of property; changing rates of interest to be paid during drainage proceedings; amending definition of repair; authorizing conditions for repair if design depth is different than original construction depth; declaring right to have drainage systems maintained; providing easement for drainage authority to inspect drainage system; requiring permanent grass strips; apportioning repair costs; renumbering sections; amending Minnesota Statutes 1984, sections 105.392; and 105.40; Minnesota Statutes 1985 Supplement, sections 40.072, subdivisions 3 and 6; 106A.005, subdivisions 2, 3, 4, 9, 10, 12, 13, 14, and 19, and by

adding subdivisions; 106A.011, subdivisions 3 and 4; 106A.015; 106A.031; 106A.051; 106A.055; 106A.081, subdivisions 2 and 3; 106A.091, subdivisions 2 and 4; 106A.095, subdivisions 1, 3, and 4; 106A.101, subdivisions 2 and 4; 106A.215, subdivisions 4 and 5; 106A.221; 106A.225; 106A.231; 106A.235, subdivisions 1 and 2; 106A.241, subdivisions 1, 2, and 5; 106A.245; 106A.251; 106A.261, subdivisions 1, 3, 4, 5, 6, and 7; 106A.265, subdivision 1; 106A.271, subdivision 1; 106A.275; 106A.281; 106A.285, subdivisions 2, 4, 5, 6, 9, and 10; 106A.295; 106A.301; 106A.305, subdivision 1; 106A.311; 106A.315, subdivisions 1, 2, 5, and 6, and by adding a subdivision; 106A.321, subdivision 1, and by adding a subdivision; 106A.325, subdivisions 2 and 3; 106A.335, subdivisions 1 and 3; 106A.341; 106A.345; 106A.351; 106A.401, subdivisions 2 and 6, and by adding a subdivision; 106A.405; 106A.411, subdivisions 3 and 4; 106A.501, subdivisions 4, 6, and 7; 106A.505, subdivisions 1, 2, 3, 7, and 8; 106A.511, subdivisions 1, 2, 3, and 5; 106A.515; 106A.525, subdivisions 2, 3, and 4; 106A.541; 106A.555, subdivision 2; 106A.601; 106A.605; 106A.611, subdivisions 2, 3, 6, and 7; 106A.615, subdivisions 4 and 7; 106A.635, subdivisions 1 and 10; 106A.645, subdivision 7; 106A.651, subdivision 1; 106A.655, subdivision 1; 106A.701, subdivision 1, and by adding subdivisions; 106A.705, subdivision 1; 106A.715, subdivision 6; 106A.731, subdivision 1; 106A.741, subdivision 5; 106A.811, subdivisions 2, 4, and 5; 112.431, subdivision 2; 112.48, subdivision 1; 112.59; 112.60; and 112.65, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 106A; repealing Minnesota Statutes 1984, sections 111.01; 111.02; 111.03; 111.04; 111.05; 111.06; 111.07; 111.08; 111.10; 111.12; 111.14; 111.15; 111.16; 111.17; 111.18; 111.19; 111.20; 111.21; 111.22; 111.23; 111.24; 111.25; 111.26; 111.27; 111.28; 111.29; 111.32; 111.33; 111.34; 111.35; 111.37; 111.38; 111.39; 111.40; 111.41; 111.42; 111.421; Minnesota Statutes 1985 Supplement, sections 106A.005, subdivision 25; 106A.201; 106A.205; 106A.211; 111.09; 111.11; 111.13; 111.30; 111.31; and 111.36.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Tjornhom, Ogren, Clausnitzer and Shaver introduced:

H. F. No. 2358, A bill for an act relating to occupations and professions; providing for the regulation of the practice of chiropractic; providing grounds for license revocation; prescribing penalties; appropriating money; amending Minnesota Statutes 1984, sections 148.01, subdivision 1; 148.06, subdivision 1; 148.07, subdivision 2; 148.08, subdivision 3; 148.10; and 319A.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1984, section 148.101.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Jennings, L.; Carlson, J.; Clausnitzer; Stanius and Lieder introduced:

H. F. No. 2359, A bill for an act relating to human services; establishing computerized information systems; authorizing an electronic transfer system; providing for training of welfare fraud prosecutors and investigators; providing for disposition of incorrect assistance amounts recovered; regulating certain property transfers by general assistance applicants or recipients; appropriating money; amending Minnesota Statutes 1984, sections 256.98; and 256D.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Dimler and Uphus introduced:

H. F. No. 2360, A bill for an act relating to agriculture; providing a penalty for failure to issue grain warehouse receipts; amending Minnesota Statutes 1984, section 232.23, subdivision 5.

The bill was read for the first time and referred to the Committee on Agriculture.

Nelson, D., and Price introduced:

H. F. No. 2361, A bill for an act relating to education; requiring the higher education representative on the board of teaching to be a teaching faculty member; allowing a counselor to serve on the board of teaching; amending Minnesota Statutes 1984, section 125.183, subdivision 3.

The bill was read for the first time and referred to the Committee on Education.

Welle, Osthoff, Minne, Elioff and Pappas introduced:

H. F. No. 2362, A bill for an act relating to energy; clarifying the method by which schedules for the repayment of district heating loans are established; amending Minnesota Statutes 1985 Supplement, section 116J.36, subdivision 6.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Piepho and Frederick introduced:

H. F. No. 2363, A bill for an act relating to local government; permitting the establishment of special service districts in the city of Mankato; providing taxing and other financial authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Johnson and Valan introduced:

H. F. No. 2364, A bill for an act relating to transportation; railroads; permitting transportation regulation board to approve certain rate changes and applications for track abandonment or discontinuance of service in certain cases without a public hearing; amending Minnesota Statutes 1984, section 221.041, subdivision 1; Minnesota Statutes 1985 Supplement, sections 219.741; and 219.85.

The bill was read for the first time and referred to the Committee on Transportation.

Johnson and Valan introduced:

H. F. No. 2365, A bill for an act relating to transportation; clarifying procedures in certain contested matters brought before the transportation regulation board; amending Minnesota Statutes 1984, sections 174A.02, subdivision 4; and 216A.05, subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

Sviggum and Uphus introduced:

H. F. No. 2366, A bill for an act relating to juvenile court; defining escape from a state juvenile correctional facility as a delinquent act; providing that committing a felony as part of, or subsequent to, escape from a juvenile correctional facility is a prima facie case for reference for adult prosecution; providing penalties; amending Minnesota Statutes 1984, sections 260.015, subdivision 5; 260.125, subdivision 3; and 260.185, subdivision 1.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

DenOuden, Haukoos, Johnson and Kvam introduced:

H. F. No. 2367, A bill for an act relating to taxation; property; removing the school district basic maintenance levy from agricultural land and buildings; reducing the agricultural school tax credit on certain property; providing a separate calculation of adjusted assessed value for the basic maintenance levy; changing the assessment ratio on certain agricultural homestead property; amending Minnesota Statutes 1984, sections 124.2131, subdivisions 1 and 2; 124A.02, subdivision 5, and by adding a subdivision; 124A.03, subdivision 1; 275.07, by adding a subdivision; and 275.28, subdivision 1; Minnesota Statutes 1985 Supplement, sections 124.2137, subdivision 1; 124A.02, subdivisions 7 and 8; 124A.03, subdivision 1a; 273.13, subdivision 23; repealing Minnesota Statutes 1984, section 124.2131, subdivision 4.

The bill was read for the first time and referred to the Committee on Taxes.

Miller; Carlson, D.; Neuenschwander; Boerboom and Stanius introduced:

H. F. No. 2368, A bill for an act relating to natural resources; creating a legislative commission on water policy and providing for the powers and duties of the commission; appropriating money.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Miller, Heap, Frerichs, Schafer and Dempsey introduced:

H. F. No. 2369, A bill for an act relating to employment; repealing provisions requiring payment of certain wages on state projects; repealing Minnesota Statutes 1984, sections 177.41; 177.42; 177.43; and 177.44.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Johnson and Valan introduced:

H. F. No. 2370, A bill for an act relating to transportation; railroads; permitting the transportation regulation board to grant clearance variances without evidentiary hearings in certain cases; amending Minnesota Statutes 1985 Supplement, section 219.47, subdivision 1.

The bill was read for the first time and referred to the Committee on Transportation.

McPherson, Heap and Levi introduced :

H. F. No. 2371, A bill for an act relating to commerce; providing for the repeal of statutory law regulating entertainment agencies; repealing Minnesota Statutes 1984, sections 184A.01 to 184A.20.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Valan, McDonald, Redalen and Rees introduced :

H. F. No. 2372, A bill for an act relating to agriculture; creating a rural economy adjustment board; providing for the issuance of bonds or other obligations by the board and the loan of proceeds to counties for grants or loans to farmers to repay or refinance existing indebtedness; authorizing the levy and collection of taxes for the repayment of loans by counties; permitting the acquisition of conservation easements in agricultural property; proposing coding for new law in Minnesota Statutes, chapter 41A.

The bill was read for the first time and referred to the Committee on Agriculture.

Hartinger introduced :

H. F. No. 2373, A bill for an act relating to retirement; Andover firefighters relief association; authority to amend bylaws.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Valan and Lieder introduced :

H. F. No. 2374, A bill for an act relating to traffic regulations; increasing area of state in which weight limitations on highways may be seasonally increased; providing that weight limitations are increased seasonally for transporting sugar beets and potatoes under certain conditions; increasing weight limitations under which special permits may be issued; imposing fees; amending Minnesota Statutes 1984, sections 169.825, subdivision 11; and 169.86, subdivision 5.

The bill was read for the first time and referred to the Committee on Transportation.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 1699, A bill for an act relating to licenses; requiring operators of campgrounds and manufactured home parks to procure a license; amending Minnesota Statutes 1984, section 157.03.

H. F. No. 1826, A resolution memorializing the governments of the United States and the Socialist Republic of Vietnam to take all possible actions to determine the fate of persons missing in action in Southeast Asia; joining with the families of those who are missing in the hope that their long wait will soon be over.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1587, 1597 and 1612.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 641, 1319, 1531 and 1645.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1575.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1587, A bill for an act relating to public indebtedness; permitting home rule charter and statutory cities and towns to incur debt for warning systems; amending Minnesota Statutes 1984, section 475.52, subdivision 1; and Minnesota Statutes 1985 Supplement, section 366.095.

The bill was read for the first time.

McPherson moved that S. F. No. 1587 and H. F. No. 1853, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1597, A bill for an act relating to agriculture; removing the liability of persons who buy farm products; repealing the notification and registration system for security interests in farm products; amending Minnesota Statutes 1985 Supplement, sections 17A.04, subdivisions 2 and 5; and 336.9-307; repealing Minnesota Statutes 1985 Supplement, sections 17A.04, subdivision 1a; 27.03, subdivision 2; 223.17, subdivision 1a; 223A.01; and 386.42.

The bill was read for the first time.

Dimler moved that S. F. No. 1597 and H. F. No. 1842, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1612, A bill for an act relating to insurance; changing certain incorporation requirements for domestic insurance corporations; changing certain investment requirements for life insurance companies; amending Minnesota Statutes 1984, sections 60A.07, subdivision 1; and 61A.282, subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

S. F. No. 641, A bill for an act relating to taxation; changing the date by which the second installment of property taxes on agricultural property must be paid; amending Minnesota Statutes 1984, sections 276.09; 276.10; and 278.03; Minnesota Statutes 1985 Supplement, sections 278.05, subdivision 5; and 279.01, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 1319, A bill for an act relating to motor vehicles; removing liability of motor vehicle lessors for unpaid citations for traffic violations committed by operators of leased or rented motor vehicles; proposing coding for new law in Minnesota Statutes, chapter 168.

The bill was read for the first time and referred to the Committee on Transportation.

S. F. No. 1531, A bill for an act relating to agriculture; ratifying the Interstate Compact on Agricultural Grain Marketing; proposing coding for new law as Minnesota Statutes, chapter 236A.

The bill was read for the first time and referred to the Committee on Agriculture.

S. F. No. 1645, A bill for an act relating to crime; using force or threat of force against revenue department employees; amending Minnesota Statutes 1984, section 609.50.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

S. F. No. 1575, A bill for an act relating to local improvements; permitting counties to make certain improvements anywhere within their territory; amending Minnesota Statutes 1984, section 429.011, subdivision 5; Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1.

The bill was read for the first time.

McPherson moved that S. F. No. 1575 and H. F. No. 1820, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 1574, A bill for an act relating to counties; making optional a county building commission law; amending Minnesota Statutes 1984, section 394.01.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

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

There were 123 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kostohryz	Pappas	Skoglund
Anderson, R.	Fjoslien	Krueger	Pauly	Sparby
Backlund	Forsythe	Kvam	Peterson	Stanius
Battaglia	Frederick	Levi	Piepho	Staten
Beard	Frederickson	Lieder	Piper	Sviggum
Becklin	Frerichs	Long	Poppenhagen	Thiede
Begich	Greenfield	Marsh	Price	Thorson
Bennett	Gruenes	McDonald	Quinn	Tjornhom
Blatz	Gutknecht	McKasy	Quist	Tomlinson
Boerboom	Halberg	McLaughlin	Redalen	Tompkins
Boo	Hartinger	McPherson	Rees	Tunheim
Brinkman	Hartle	Metzen	Rest	Uphus
Brown	Haukoos	Miller	Rice	Valan
Burger	Heap	Murphy	Richter	Valento
Carlson, D.	Himle	Nelson, D.	Riveness	Vanasek
Carlson, J.	Jacobs	Nelson, K.	Rodosovich	Vellenga
Carlson, L.	Jaros	Norton	Rose	Voss
Clark	Jennings, L.	O'Connor	Sarna	Waltman
Clausnitzer	Johnson	Ogren	Schafer	Welle
Cohen	Kahn	Olsen, S.	Schoenfeld	Wenzel
Dempsey	Kalis	Olson, E.	Scaberg	Wynia
DenOuden	Kelly	Omann	Segal	Zaffke
Dimler	Kiffmeyer	Onnen	Shaver	Spk. Jennings, D.
Dyke	Knickerbocker	Otis	Sherman	
Elioff	Knuth	Ozment	Simoneau	

Those who voted in the negative were:

Minne	Osthoff	Scheid	Solberg
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The bill was passed and its title agreed to.

H. F. No. 1860, A bill for an act relating to metropolitan government; permitting the metropolitan mosquito control commission to issue certificates of indebtedness; amending Minnesota Statutes 1984, section 473.711, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

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

There were 121 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Erickson	Kostohryz	Pappas	Solberg
Backlund	Fjoslien	Krueger	Pauly	Sparby
Battaglia	Forsythe	Kvam	Peterson	Stanius
Beard	Frederick	Levi	Piepho	Staten
Becklin	Frederickson	Lieder	Piper	Sviggum
Begich	Frerichs	Long	Poppenhagen	Thiede
Bennett	Greenfield	Marsh	Price	Thorson
Blatz	Gruenes	McDonald	Quinn	Tjornhom
Boerboom	Gutknecht	McEachern	Quist	Tomlinson
Boo	Halberg	McLaughlin	Redalen	Tompkins
Brandl	Hartinger	McPherson	Rees	Tunheim
Brinkman	Hartle	Metzen	Rest	Uphus
Brown	Haukoos	Minne	Rice	Valan
Burger	Heap	Munger	Richter	Valento
Carlson, D.	Himle	Murphy	Riveness	Voss
Carlson, J.	Jacobs	Nelson, D.	Rodosovich	Waltman
Carlson, L.	Jaros	Nelson, K.	Sarna	Welle
Clark	Jennings, L.	Norton	Schafer	Wenzel
Clausnitzer	Johnson	O'Connor	Schoenfeld	Wynia
Cohen	Kahn	Ogren	Seaberg	Zaffke
Dempsey	Kalis	Olson, E.	Segal	Spk. Jennings, D.
DenOuden	Kelly	Omman	Shaver	
Dimler	Kiffmeyer	Onnen	Sherman	
Dyke	Knickerbocker	Otis	Simoneau	
Elioff	Knuth	Ozment	Skoglund	

Those who voted in the negative were:

Olsen, S. Osthoff Scheid

The bill was passed and its title agreed to.

CALL OF THE HOUSE LIFTED

McEachern moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

H. F. No. 1980, A bill for an act relating to state government; authorizing the Indian affairs council to enter contracts and to accept grants and gifts; amending Minnesota Statutes 1984, section 3.922, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Brandl	Carlson, J.	Dempsey
Backlund	Bennett	Brinkman	Carlson, L.	DenOuden
Battaglia	Blatz	Brown	Clark	Dimler
Beard	Boerboom	Burger	Clausnitzer	Dyke
Becklin	Boo	Carlson, D.	Cohen	Elioff

Erickson	Kalis	Nelson, K.	Rees	Staten
Fjoslien	Kelly	Norton	Rest	Sviggum
Forsythe	Kiffmeyer	O'Connor	Rice	Thiede
Frederick	Knickerbocker	Ogren	Richter	Thorson
Frederickson	Knuth	Olson, E.	Riveness	Tjornhom
Frerichs	Kostohryz	Omann	Rodosovich	Tomlinson
Greenfield	Krueger	Onnen	Rose	Tompkins
Gruenes	Kvam	Osthoff	Sarna	Tunheim
Gutknecht	Levi	Otis	Schafer	Uphus
Halberg	Lieder	Ozment	Scheid	Valan
Hartinger	Long	Pappas	Schoenfeld	Valento
Hartle	McDonald	Pauly	Seaberg	Vanasek
Haukoos	McLaughlin	Peterson	Segal	Vellenga
Heap	McPherson	Piepho	Shaver	Voss
Himle	Metzen	Piper	Sherman	Waltman
Jacobs	Miller	Poppenhagen	Simoneau	Welle
Jaros	Minne	Price	Skoglund	Wenzel
Jennings, L.	Munger	Quinn	Solberg	Wynia
Johnson	Murphy	Quist	Sparby	Zaffke
Kahn	Nelson, D.	Redalen	Stanius	Spk. Jennings, D.

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Levi, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be acted upon immediately preceding General Orders pending for today, Monday, February 24, 1986:

H. F. No. 1930; S. F. No. 1600; H. F. Nos. 1772, 1807, 1824, 1926, 1928, 1991, 2014, 1730 and 1962.

SPECIAL ORDERS

H. F. No. 1930, A bill for an act relating to public safety; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 299D.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Blatz	Carlson, L.	Elioff	Gruenes
Anderson, R.	Boerboom	Clark	Erickson	Halberg
Backlund	Brandl	Clausnitzer	Fjoslien	Hartinger
Battaglia	Brinkman	Cohen	Forsythe	Hartle
Beard	Brown	Dempsey	Frederick	Haukoos
Becklin	Burger	DenOuden	Frederickson	Heap
Begich	Carlson, D.	Dimler	Frerichs	Himle
Bennett	Carlson, J.	Dyke	Greenfield	Jacobs

Jaros	McLaughlin	Pauly	Scheid	Uphus
Jennings, L.	McPherson	Peterson	Schoenfeld	Valan
Johnson	Metzen	Piepho	Segal	Valento
Kalis	Miller	Piper	Shaver	Vanasek
Kiffmeyer	Minnce	Poppenhagen	Sherman	Vellenga
Knickerbocker	Munger	Price	Simoneau	Voss
Knuth	Murphy	Quinn	Skoglund	Waltman
Kostohryz	Norton	Redalen	Solberg	Welle
Krueger	O'Connor	Rees	Sparby	Wenzel
Kvam	Ogren	Rest	Stanius	Wynia
Levi	Olsen, S.	Rice	Sviggum	Zaffke
Lieder	Olson, E.	Richter	Thiede	Spk. Jennings, D.
Long	Omann	Rodosovich	Thorson	
Marsh	Onnen	Rose	Tjornhom	
McDonald	Osthoff	Sarna	Tompkins	
McEachern	Otis	Schafer	Tunheim	

Those who voted in the negative were:

Nelson, D. Pappas Quist

The bill was passed and its title agreed to.

S. F. No. 1600 was reported to the House.

Dempsey moved that S. F. No. 1600 be returned to General Orders. The motion prevailed.

H. F. No. 1772 was reported to the House.

Dempsey moved to amend H. F. No. 1772, as follows:

Page 3, line 26, after "matter" and before the period insert:
"but in no case shall the fee that is taxed exceed the fine that is imposed"

Page 4, after line 7, insert: *"The fees set forth in this subdivision shall not apply to parking violations for which complaints and warrants have not been issued."*

The motion prevailed and the amendment was adopted.

Kelly moved to amend H. F. No. 1772, as amended, as follows:

Page 6, after line 1, insert:

"Sec. 10. Minnesota Statutes 1985 Supplement, section 609.101, is amended to read:

609.101 [SURCHARGE ON FINES, ASSESSMENTS.]

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 (\$20) \$25 nor more than (\$40) \$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 ten percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended. The court may, upon a showing of indigency or undue hardship upon the convicted person or his immediate family, waive payment or authorize payment of the assessment or surcharge in installments; *however, if the court waives payment or authorizes payment in installments, it shall state in writing on the record the reasons for its action.*

The court shall collect and forward to the commissioner of finance the total amount of the assessment or surcharge and the commissioner shall credit all money so forwarded to the general fund for the purposes of providing services, assistance, or reparations or a combination, to victims of crimes through *services and* programs established under sections (611A.21 TO 611A.36, UNDER CHAPTERS 256D AND 299B) *611A.51 to 611A.67 and 611A.70 to 611A.75.* 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."

Amend the title as follows :

Page 1, line 3, after the semicolon, insert "increasing the penalty assessment imposed on persons convicted of crimes; clarifying the purposes for which it may be used;"

Page 1, line 6, delete "section" and insert "sections"

Page 1, line 7, before the period insert "; and 609.101"

The motion prevailed and the amendment was adopted.

H. F. No. 1772, A bill for an act relating to courts; increasing fees to be collected; clarifying existing fee statutes; increasing the penalty assessment imposed on persons convicted of crimes; clarifying the purposes for which it may be used; amending Minnesota Statutes 1984, section 176.451, subdivision 3; 487.31, subdivisions 1 and 4; 487.33; 514.70; 525.031; and 525.033; Minnesota Statutes 1985 Supplement, sections 357.021, subdivision 2; and 609.101.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dyke	Knuth	Onnen	Schreiber
Anderson, R.	Elioff	Kostohryz	Osthoff	Segal
Backlund	Ellingson	Krueger	Otis	Shaver
Battaglia	Erickson	Kvam	Pappas	Sherman
Beard	Fjoslien	Levi	Pauly	Simoneau
Becklin	Forsythe	Lieder	Peterson	Skoglund
Begich	Frederick	Long	Piepho	Solberg
Bennett	Frederickson	McDonald	Piper	Stanius
Bishop	Frerichs	McEachern	Price	Sviggum
Blatz	Gruenes	McKasy	Quinn	Thiede
Brandl	Gutknecht	McPherson	Quist	Tjornhom
Brinkman	Halberg	Metzen	Redalen	Tomlinson
Brown	Haukoos	Miller	Rees	Tompkins
Burger	Heap	Minne	Rest	Uphus
Carlson, J.	Himle	Munger	Rice	Valan
Carlson, L.	Jacobs	Murphy	Richter	Valento
Clark	Jaros	Norton	Riveness	Vanasek
Clausnitzer	Johnson	O'Connor	Rodosovich	Vellenga
Cohen	Kalis	Ogren	Sarna	Waltman
Dempsey	Kelly	Olsen, S.	Schafer	Wynia
DenOuden	Kiffmeyer	Olson, E.	Scheid	Zaffke
Dimler	Knickerbocker	Omann	Schocnfeld	Spk. Jennings, D.

Those who voted in the negative were:

Staten	Voss	Welle	Wenzel
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The bill was passed, as amended, and its title agreed to.

H. F. No. 1807 was reported to the House.

Carlson, J., moved that H. F. No. 1807 be returned to General Orders. The motion prevailed.

H. F. No. 1824 was reported to the House.

The Speaker called Halberg to the Chair.

Rees and Fjoslien moved to amend H. F. No. 1824, the first engrossment, as follows:

Page 3, after line 18, insert:

“Sec. 7. [REVISOR’S INSTRUCTION.]

The revisor shall restore the term “airman” wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision.”

A roll call was requested and properly seconded.

The question was taken on the Rees and Fjoslien amendment and the roll was called. There were 72 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	DenOuden	Heap	Onnen	Stanius
Backlund	Dimler	Himle	Osthoff	Sviggum
Battaglia	Dyke	Johnson	Piepho	Thiede
Beard	Elioff	Kalis	Poppenhagen	Thorson
Becklin	Erickson	Kiffmeyer	Quist	Tjornhom
Begich	Fjoslien	Krueger	Rees	Tompkins
Bennett	Forsythe	Kvam	Richter	Uphus
Boerboom	Frederick	Marsh	Sarna	Valan
Boo	Frederickson	McDonald	Schafer	Valento
Brown	Frerichs	McEachern	Schoenfeld	Waltman
Burger	Gruenes	McPherson	Schreiber	Wenzel
Carlson, D.	Gutknecht	Miller	Seaberg	Zaffke
Carlson, J.	Hartinger	Olsen, S.	Shaver	
Clausnitzer	Hartle	Olsen, E.	Sherman	
Dempsey	Haukoos	Omann	Sparby	

Those who voted in the negative were:

Bishop	Jennings, L.	Minne	Piper	Simoneau
Blatz	Kahn	Munger	Price	Skoglund
Brandl	Knickerbocker	Murphy	Quinn	Solberg
Carlson, L.	Knuth	Nelson, D.	Rest	Staten
Clark	Kostohryz	Nelson, K.	Rice	Tomlinson
Cohen	Levi	Norton	Riveness	Tunheim
Greenfield	Lieder	Otis	Rodosovich	Vellenga
Halberg	Long	Pappas	Rose	Voss
Jacobs	McLaughlin	Pauly	Scheid	Welle
Jaros	Metzen	Peterson	Segal	Wynia

The motion prevailed and the amendment was adopted.

Tomlinson, Ellingson and Voss were excused for the remainder of today's session.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

"Sec. [REVISOR'S INSTRUCTION.]

The revisor shall restore the term "sportsman's license" wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision."

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

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 1, after line 24, insert:

"Sec. 4. [645.081] [COMMON USAGE.]

The language and style contained in Minnesota Statutes have been chosen on the basis of clarity and common usage, not ideology or politics. Accordingly, the language in these statutes is to be interpreted in a manner consistent with the common usage of the people of Minnesota."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, before the period insert "proposing coding for new law in Minnesota Statutes, chapter 645"

A roll call was requested and properly seconded.

The question was taken on the Quist amendment and the roll was called. There were 49 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Becklin	DenOuden	Halberg	Omann	Thiede
Begich	Dimler	Hartinger	Onnen	Thorson
Bennett	Dyke	Haukoos	Piepho	Tjornhom
Blatz	Elioff	Heap	Poppenhagen	Tompkins
Boerboom	Erickson	Johnson	Quist	Uphus
Boo	Fjoslien	Kiffmeyer	Rees	Valento
Burger	Frederick	Marsh	Richter	Waltman
Carlson, D.	Frederickson	McDonald	Schafer	Wenzel
Clausnitzer	Frerichs	McPherson	Stanius	Zaffke
Dempsey	Gutknecht	Miller	Sviggum	

Those who voted in the negative were:

Anderson, R.	Jacobs	Metzen	Pappas	Scheid
Backlund	Jaros	Minne	Pauly	Schoenfeld
Battaglia	Jennings, L.	Munger	Peterson	Schreiber
Bishop	Kahn	Murphy	Piper	Segal
Brandl	Kalis	Nelson, D.	Price	Simoneau
Brinkman	Kelly	Nelson, K.	Quinn	Skoglund
Brown	Knuth	Norton	Rest	Sparby
Carlson, L.	Kostohryz	O'Connor	Rice	Staten
Cohen	Krueger	Ogren	Riveness	Tunheim
Forsythe	Lieder	Olsen, S.	Rodosovich	Vanasek
Greenfield	Long	Olsen, E.	Rose	Vellenga
Hartle	McLaughlin	Otis	Sarna	Wynia

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

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 1, after line 24, insert:

"Sec. 4. [645.082] [GENDER NEUTRAL TERMS.]

Terms such as "bachelor's degree," "freshman," "husbandry," "journeyman," "manslaughter," "marksmanship," "ombudsman," "workmanship," "busboy," "congressman," "draftsman," "fisherman," "chairman," "repairman," "sportsman's license," and "tradesman," when used in a generic sense in Minnesota Statutes, are gender neutral."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, before the period insert "proposing coding for new law in Minnesota Statutes, chapter 645"

A roll call was requested and properly seconded.

The question was taken on the Quist amendment and the roll was called. There were 61 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dimler	Haukoos	Ozment	Thiede
Backlund	Dyke	Heap	Piepho	Thorson
Battaglia	Elioff	Himle	Poppenhagen	Tjornhom
Becklin	Erickson	Johnson	Quist	Tompkins
Begich	Fjoslien	Kiffmeyer	Rees	Uphus
Bennett	Forsythe	Knickerbocker	Richter	Valento
Boerboom	Frederick	Marsh	Schafer	Waltman
Brandl	Frederickson	McDonald	Schreiber	Wenzel
Burger	Frerichs	McPherson	Seaberg	Zaffke
Carlson, D.	Cruenes	Miller	Sherman	
Clausnitzer	Gutknecht	Olsen, S.	Sparby	
Dempsey	Halberg	Omann	Stanius	
DenOuden	Hartinger	Onnen	Sviggum	

Those who voted in the negative were:

Beard	Jaros	Minne	Pauly	Scheid
Bishop	Jennings, L.	Munger	Peterson	Schoenfeld
Blatz	Kahn	Murphy	Piper	Segal
Brinkman	Kalis	Nelson, D.	Price	Simoneau
Brown	Kelly	Nelson, K.	Quinn	Skoglund
Carlson, L.	Knuth	Norton	Rest	Staten
Clark	Kostohryz	O'Connor	Rice	Tunheim
Cohen	Krueger	Ogren	Riveness	Vanasek
Greenfield	Long	Olson, E.	Rodosovich	Vellenga
Hartle	McLaughlin	Otis	Rose	Welle
Jacobs	Metzen	Pappas	Sarna	Wynia

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

“Sec. 9. [REVISOR’S INSTRUCTION.]

The revisor shall restore the term “sportsmen’s club” wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision.”

A roll call was requested and properly seconded.

The question was taken on the Quist amendment and the roll was called. There were 70 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Himle	Onnen	Sviggum
Anderson, R.	DenOuden	Johnson	Piepho	Thiede
Backlund	Dimler	Kalis	Poppenhagen	Thorson
Becklin	Dyke	Kiffmeyer	Quist	Tjornhom
Begich	Elioff	Krueger	Redalen	Tompkins
Bennett	Erickson	Kvam	Rees	Tunheim
Blatz	Fjoslien	Marsh	Richter	Uphus
Boerboom	Frederick	McDonald	Rose	Valan
Boo	Frederickson	McEachern	Schafer	Valento
Brinkman	Frerichs	McKasy	Schoenfeld	Vanasek
Burger	Gutknecht	McPherson	Schreiber	Vellenga
Carlson, D.	Hartinger	Miller	Seaberg	Waltman
Carlson, J.	Haukoos	Olsen, S.	Sparby	Wenzel
Clausnitzer	Heap	Omann	Stanius	Zaffke

Those who voted in the negative were:

Battaglia	Jacobs	Minne	Pauly	Scheid
Bishop	Jaros	Munger	Peterson	Segal
Brandl	Kahn	Nelson, D.	Piper	Simoneau
Brown	Kelly	Nelson, K.	Price	Skoglund
Carlson, L.	Knuth	Norton	Quinn	Staten
Clark	Kostohryz	O’Connor	Rest	Welle
Cohen	Lieder	Ogren	Rice	Wynia
Forsythe	Long	Olson, E.	Riveness	
Greenfield	McLaughlin	Otis	Rodosovich	
Hartle	Metzen	Pappas	Sarna	

The motion prevailed and the amendment was adopted.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

“Sec. 10. [REVISOR’S INSTRUCTION.]

The revisor shall restore the terms “father” and “mother” wherever they appeared in Minnesota Statutes before the gender

revision of 1986 was prepared and shall delete whatever was substituted for them in the gender revision."

A roll call was requested and properly seconded.

Kiffmeyer moved that H. F. No. 1824, the first engrossment, as amended, be re-referred to the Committee on General Legislation and Veterans Affairs.

A roll call was requested and properly seconded.

The question was taken on the Kiffmeyer motion and the roll was called. There were 52 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dyke	Lieder	Osthoff	Swiggum
Backlund	Elioff	Marsh	Poppenhagen	Thiede
Beard	Fjoslien	McDonald	Price	Tjornhom
Begich	Frederick	McEachern	Quist	Tompkins
Boo	Gruenes	McPherson	Redalen	Tunheim
Brinkman	Gutknecht	Miller	Rees	Waltman
Burger	Hartinger	Norton	Richter	Wenzel
Carlson, D.	Johnson	O'Connor	Sarna	Zaffke
Clausnitzer	Kalis	Ogren	Schafer	
DenOuden	Kiffmeyer	Omman	Schoenfeld	
Dimler	Kvam	Onnen	Seaberg	

Those who voted in the negative were:

Anderson, G.	Greenfield	McKasy	Piper	Stanius
Battaglia	Halberg	McLaughlin	Quinn	Staten
Becklin	Hartle	Metzen	Rest	Thorson
Bishop	Haukoos	Minne	Rice	Uphus
Blatz	Jacobs	Munger	Riveness	Valan
Boerboom	Jaros	Murphy	Rodosovich	Valento
Brandl	Jennings, L.	Nelson, D.	Rose	Vanasek
Brown	Kahn	Nelson, K.	Scheid	Vellenga
Carlson, L.	Kelly	Olsen, S.	Schreiber	Welle
Clark	Knickerbocker	Olson, E.	Segal	Wynia
Cohen	Knuth	Otis	Sherman	Spk. Jennings, D.
Dempsey	Kostohryz	Pappas	Simoneau	
Erickson	Krueger	Pauly	Skoglund	
Frederickson	Levi	Peterson	Solberg	
Frerichs	Long	Piepho	Sparby	

The motion did not prevail.

Kvam was excused for the remainder of today's session.

The question recurred on the Quist amendment and the roll was called. There were 70 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Boerboom	Carlson, D.	Dempsey
Backlund	Bennett	Brinkman	Carlson, J.	DenOuden
Becklin	Blatz	Burger	Clausnitzer	Dimler

Dyke	Haukoos	Miller	Richter	Thiede
Elioff	Hcap	O'Connor	Sarna	Thorson
Erickson	Jacobs	Ogren	Schafer	Tjornhom
Frederick	Johnson	Omann	Schoenfeld	Tunheim
Frederickson	Kalis	Ozment	Schreiber	Uphus
Frerichs	Kifmeyer	Poppenhagen	Seaberg	Valan
Gruenes	Knickerbocker	Quinn	Sherman	Valento
Gutknecht	Marsh	Quist	Solberg	Waltman
Halberg	McDonald	Redalen	Sparby	Wenzel
Hartinger	McEachern	Rees	Stanius	Zaffke
Hartle	McKasy	Rest	Sviggum	Spk. Jennings, D.

Those who voted in the negative were:

Anderson, G.	Jaros	Metzen	Pauly	Skoglund
Battaglia	Jennings, L.	Minne	Peterson	Staten
Beard	Kahn	Munger	Piper	Vanasek
Bishop	Kelly	Murphy	Price	Vellenga
Brandl	Knuth	Nelson, D.	Riveness	Welle
Brown	Kostohryz	Nelson, K.	Rodosovich	Wynia
Carlson, L.	Krueger	Norton	Rose	
Cohen	Lieder	Olson, E.	Scheid	
Forsythe	Long	Otis	Segal	
Greenfield	McLaughlin	Pappas	Simoneau	

The motion prevailed and the amendment was adopted.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

“Sec. [REVISOR’S INSTRUCTION.]

The revisor shall restore the terms “husband” and “wife” wherever they appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for them in the gender revision.”

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

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

“Sec. 11. [REVISOR’S INSTRUCTION.]

The revisor shall restore the term “manhood” wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision.”

The motion prevailed and the amendment was adopted.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert :

“Sec. . . . [REVISOR’S INSTRUCTION.]

The revisor shall restore the term “fisherman” wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision.”

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

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows :

Page 3, after line 18, insert :

“Sec. . . . [REVISOR’S INSTRUCTION.]

The revisor shall restore the term “repairman” wherever it appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision.”

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

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows :

Page 3, after line 18, insert :

“Sec. . . . [REVISOR’S INSTRUCTION.]

The revisor shall restore the terms “chairman,” “office of chairman,” “congressman,” “foreman,” “draftsman,” “he,” “his,” and “tradesman” wherever they appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for them in the gender revision.”

A roll call was requested and properly seconded.

Kiffmeyer moved that H. F. No. 1824, the first engrossment, as amended, be re-referred to the Committee on General Legislation and Veterans Affairs.

A roll call was requested and properly seconded.

The question was taken on the Kiffmeyer motion and the roll was called. There were 39 yeas and 71 nays as follows :

Those who voted in the affirmative were:

Anderson, R.	Dimler	McDonald	Quist	Thiede
Backlund	Dyke	McEachern	Richter	Tjornhom
Battaglia	Elioff	McPherson	Rose	Tompkins
Begich	Frederick	O'Connor	Sarna	Uphus
Burger	Gutknecht	Omann	Schafer	Waltman
Carlson, D.	Hartinger	Onnen	Seaberg	Wenzel
Clausnitzer	Kiffmeyer	Osthoff	Sherman	Zaffke
DenOuden	Marsh	Poppenhagen	Svigum	

Those who voted in the negative were:

Anderson, G.	Greenfield	Levi	Peterson	Solberg
Beard	Grucnes	Lieder	Piper	Sparby
Bishop	Halberg	Long	Price	Stanius
Blatz	Hartle	McLaughlin	Quinn	Staten
Boerboom	Heap	Metzen	Rest	Tunheim
Brandl	Himle	Minne	Rice	Valento
Brinkman	Jacobs	Murphy	Riveness	Vanasek
Brown	Jaros	Nelson, D.	Rodosovich	Vellenga
Carlson, L.	Jennings, L.	Nelson, K.	Scheid	Welle
Clark	Kahn	Ogren	Schoenfeld	Wynia
Cohen	Kelly	Olsen, S.	Schreiber	Spk. Jennings, D.
Dempsey	Knickerbocker	Olson, E.	Segal	
Erickson	Knuth	Otis	Shaver	
Frederickson	Kostohryz	Pappas	Simoneau	
Frerichs	Krueger	Pauly	Skoglund	

The motion did not prevail.

Halberg moved to amend the Quist amendment, as follows:

After "*tradesman*," insert the following:

"*airman*," "*alderman*," "*boatman*," "*bondsman*," "*brakeman*," "*businessman*," "*chainman*," "*clergyman*," "*committeeman*," "*councilman*," "*craftsman*," "*dairyman*," "*doorman*," "*draftsman*," "*drayman*," "*enlisted man*," "*ferryman*," "*fieldman*," "*fireman*," "*fisherman*," "*flagman*," "*guardsman*," "*layman*," "*maiden name*," "*man*," "*materialman*," "*militiaman*," "*motorman*," "*nurseryman*," "*nursemaid*," "*parts man*," "*patrolman*," "*policeman*," "*remainderman*," "*salesman*," "*serviceman*," "*signal man*," "*spokesman*," "*storageman*," "*talesman*," "*thresherman*," "*tillerman*," "*trainman*," "*vestryman*," "*warehouseman*," "*watchman*," "*workman*," and "*yardman*"

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

The question recurred on the Quist amendment, as amended by the Halberg amendment, and the roll was called. There were 44 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Begich	Dimler	Johnson	Piepho	Thorson
Bennett	Dyke	Kiffmeyer	Poppenhagen	Tjornhom
Boerboom	Elioff	Marsh	Quist	Tompkins
Boo	Erickson	McDonald	Redalen	Uphus
Burger	Fjoslien	McPherson	Rees	Valento
Carlson, J.	Frederick	Miller	Richter	Waltman
Clausnitzer	Frederickson	O'Connor	Schafer	Wenzel
Dempsey	Gutknecht	Omann	Seaberg	Zaffke
DenOuden	Hartinger	Onnen	Thiede	

Those who voted in the negative were:

Anderson, G.	Crucnes	Lieder	Pauly	Simoneau
Battaglia	Halberg	Long	Peterson	Skoglund
Beard	Hartle	McLaughlin	Piper	Solberg
Becklin	Himle	Metzen	Price	Sparby
Bishop	Jacobs	Minne	Quinn	Stanius
Blatz	Jaros	Munger	Rest	Staten
Brandl	Jennings, L.	Murphy	Rice	Sviggum
Brinkman	Kahn	Nelson, D.	Riveness	Vanasek
Brown	Kalis	Nelson, K.	Rodosovich	Vellenga
Carlson, L.	Kelly	Norton	Rose	Welle
Clark	Knickerbocker	Ogren	Scheid	Wynia
Cohen	Knuth	Olsen, S.	Schoenfeld	Spk. Jennings, D.
Forsythe	Kostohryz	Olson, E.	Schreiber	
Frerichs	Krueger	Otis	Segal	
Greenfield	Levi	Pappas	Sherman	

The motion did not prevail and the amendment, as amended, was not adopted.

Quist moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Pages 1 and 2, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "sections 3C.10, subdivision" and insert "section"

Page 1, line 7, delete "1; and"

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

DenOuden moved to amend H. F. No. 1824, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

"Sec. 12. [REVISOR'S INSTRUCTION.]

The revisor shall insert the term "combination license" wherever "sportsman's license" appeared in Minnesota Statutes before the gender revision of 1986 was prepared and shall delete whatever was substituted for it in the gender revision."

The motion prevailed and the amendment was adopted.

H. F. No. 1824, the first engrossment, as amended, was read for the third time.

Solberg moved to delete the DenOuden amendment adopted earlier today to H. F. No. 1824, the first engrossment, as amended. The motion prevailed and the DenOuden amendment to H. F. No. 1824, the first engrossment, as amended, was deleted.

H. F. No. 1824, A bill for an act relating to statutes; adopting as amended a gender neutral revision of Minnesota Statutes; providing for no substantive change; granting certain editorial authority to the revisor of statutes; amending Minnesota Statutes 1984, sections 3C.10, subdivision 1; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 645.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 102 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kostohryz	Pappas	Skoglund
Anderson, R.	Fjoslien	Krueger	Pauly	Solberg
Backlund	Forsythe	Levi	Peterson	Sparby
Battaglia	Frederickson	Lieder	Piepho	Stanius
Beard	Frerichs	Long	Piper	Staten
Becklin	Greenfield	McLaughlin	Price	Sviggum
Begich	Gruenes	Metzen	Quinn	Thorson
Bennett	Halberg	Minne	Rest	Tunheim
Bishop	Hartinger	Munger	Rice	Uphus
Blatz	Hartle	Murphy	Riveness	Valan
Brandl	Heap	Nelson, D.	Rodosovich	Valento
Brinkman	Himle	Nelson, K.	Rose	Vanasek
Brown	Jacobs	Norton	Sarna	Vellenga
Burger	Jaros	O'Connor	Scheid	Waltman
Carlson, J.	Jennings, L.	Ogren	Schoenfeld	Welle
Carlson, L.	Johnson	Olsen, S.	Schreiber	Wenzel
Clark	Kahn	Olson, E.	Seaberg	Wynia
Cohen	Kalis	Onnen	Segal	Spk. Jennings, D.
Dempsey	Kelly	Osthoff	Shaver	
Dimler	Knickerbocker	Otis	Sherman	
Elioff	Knuth	Ozment	Simoneau	

Those who voted in the negative were:

Clausnitzer	Frederick	Kiffmeyer	McDonald	Miller
DenOuden	Gutknecht	Marsh	McPherson	Omam

Poppenhagen
Quist

Redalen
Richter

Schafer
Thiede

Tjornhom
Tompkins

Zaffke

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

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Kostohryz moved that his name be stricken as an author on H. F. No. 1766. The motion prevailed.

Olsen, S., moved that the name of Levi be added as chief author and the name of Olsen, S., be shown as second author on H. F. No. 1766. The motion prevailed.

Carlson, D., moved that the name of Pauly be shown as chief author and the name of Carlson, D., be shown as second author on H. F. No. 2062. The motion prevailed.

Bennett moved that the name of Tjornhom be added as an author on H. F. No. 2136. The motion prevailed.

Beard moved that the name of Shaver be added as an author on H. F. No. 2301. The motion prevailed.

Waltman moved that the names of McDonald and Rees be added as authors on H. F. No. 2319. The motion prevailed.

Gruenes moved that the name of Clark be added as an author on H. F. No. 2320. The motion prevailed.

Valan moved that the name of Johnson be added as an author on H. F. No. 2372. The motion prevailed.

McDonald moved that H. F. No. 2296 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

McPherson moved that H. F. No. 2371 be recalled from the Committee on Commerce and Economic Development and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

Sviggum moved that H. F. No. 2338 be recalled from the Committee on Commerce and Economic Development and be re-

referred to the Committee on Labor-Management Relations. The motion prevailed.

Piepho and Frederick introduced:

House Resolution No. 40, A house resolution congratulating Mankato West High School for winning the 1986 Minnesota State Academic Decathlon.

The resolution was referred to the Committee on Rules and Legislative Administration.

Quist moved that H. F. No. 218 be returned to its author. The motion prevailed.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, February 26, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, February 26, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SEVENTY-FIFTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, FEBRUARY 26, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Sally L. Hill, Associate Director of the Greater Minneapolis-St. Paul area and Minnesota Council of Churches.

The roll was called and the following members were present:

Anderson, G.	Ellingson	Kvam	Ozment	Simoneau
Anderson, R.	Erickson	Levi	Pappas	Skoglund
Backlund	Fjoslien	Lieder	Pauly	Solberg
Battaglia	Forsythe	Long	Peterson	Sparby
Beard	Frederick	Marsh	Piepho	Stanius
Becklin	Frederickson	McDonald	Piper	Staten
Begich	Frerichs	McEachern	Poppenhagen	Sviggum
Bennett	Greenfield	McKasy	Price	Thiede
Bishop	Gruenes	McLaughlin	Quinn	Thorson
Blatz	Gutknecht	McPherson	Quist	Tjornhom
Boerboom	Halberg	Metzen	Redalen	Tomlinson
Boo	Hartinger	Miller	Rees	Tompkins
Brandl	Hartle	Minne	Rest	Tunheim
Brinkman	Haukoos	Munger	Rice	Uphus
Brown	Heap	Murphy	Richter	Valan
Burger	Himle	Nelson, D.	Riveness	Valento
Carlson, D.	Jacobs	Nelson, K.	Rodosovich	Vanasek
Carlson, J.	Jennings, L.	Neuenschwander	Rose	Vellenga
Carlson, L.	Johnson	Norton	Sarna	Voss
Clark	Kahn	O'Connor	Schafer	Waltman
Clausnitzer	Kalis	Ogren	Scheid	Welle
Cohen	Kelly	Olsen, S.	Schoenfeld	Wenzel
Dempsey	Kiffmeyer	Olson, E.	Schreiber	Wynia
DenOuden	Knickerbocker	Omann	Seaberg	Zaffke
Dimler	Knuth	Onnen	Segal	Spk. Jennings, D.
Dyke	Kostohryz	Osthoff	Shaver	
Elioff	Krueger	Otis	Sherman	

A quorum was present.

Jaros was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Waltman moved that further reading of the Journal be dis-

passed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 325, 1345, 1727, 1865, 1883, 2023, 2075, 2230, 1764, 1782, 1801, 1838, 1842, 1877, 1912, 1915, 1947, 2064, 2100, 1772, 1824 and 1766 and S. F. Nos. 1575, 641, 1319, 1531, 1645, 1587, 1597 and 1612 have been placed in the members' files.

S. F. No. 1575 and H. F. No. 1820, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McPherson moved that the rules be so far suspended that S. F. No. 1575 be substituted for H. F. No. 1820 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1587 and H. F. No. 1853, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McPherson moved that the rules be so far suspended that S. F. No. 1587 be substituted for H. F. No. 1853 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1597 and H. F. No. 1842, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dimler moved that the rules be so far suspended that S. F. No. 1597 be substituted for H. F. No. 1842 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Levi from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 124, A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to article VIII; providing for the recall of elected officials.

Reported the same back with the following amendments:

Page 2, line 4, after "state" insert "*for violation of their oath of office as determined by the people*"

Page 2, lines 8, 13, and 19, delete "25" and insert "10"

Page 2, line 29, after "person" insert "*for the same violation*"

Page 2, after line 30, insert:

"If a recall petition indicates that an official is being recalled because of specific actions the official has taken, and if the official is recalled by the voters in the special election, those specific actions taken by the official are void, to the extent possible."

Page 2, line 32, delete everything after the period

Page 2, delete line 33

With the recommendation that when so amended the bill pass.

The report was adopted.

Levi from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 397, A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to possess and use arms shall not be abridged.

Reported the same back with the following amendments:

Page 1, delete lines 11 to 13, and insert:

"Sec. 18. The right of a citizen to keep and bear arms for the defense and security of the person, family, or home, or for lawful hunting, recreation, or marksmanship training shall not be abridged."

Page 1, delete lines 18 to 20, and insert:

"that the right of a citizen to keep and bear arms for the defense and security of the person, family, or home, or for lawful hunting, recreation, or marksmanship training shall not be abridged?"

Amend the title as follows:

Page 1, line 4, delete "possess and use" and insert "keep and bear"

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1611, A bill for an act relating to Ramsey county; authorizing the issuance of bonds for the construction of library buildings and an annual levy for debt retirement.

Reported the same back with the following amendments:

Page 2, after line 8, insert:

"Sec. 3. [383A.381] [ABSTRACT CLERK.]

Subdivision 1. [APPOINTED.] In Ramsey county the office of abstract clerk shall not be elective but be filled by procedures adopted by the county personnel department and shall discharge the functions provided by the county. The last abstract clerk elected shall serve in a position created by the county to perform the functions of the office until the elected term expires or, upon the expiration of the term, until a successor is appointed and qualified and shall not before age 70 be disqualified from appointment because of age.

Subd. 2. [REPEALER.] Minnesota Statutes 1984, section 383A.38, is repealed."

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, after "retirement" insert "; proposing coding for new law in Minnesota Statutes, chapter 383A; repealing Minnesota Statutes 1984, section 383A.38"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 1732, A bill for an act relating to firearms; permitting certain licensed dealers and manufacturers to own or

possess machine guns and short-barreled shotguns for certain purposes; amending Minnesota Statutes 1984, section 609.67, subdivisions 3 and 4.

Reported the same back with the following amendments:

Page 2, line 3, delete "are" and delete "engaged"

Page 2, line 4, delete "in" and insert "own or possess the guns for the purpose of conducting"

Page 2, line 5, after "or" insert "are"

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 1746, A bill for an act relating to motor vehicles; defining term; establishing category and system of registration of fleet vehicles; amending Minnesota Statutes 1984, section 168.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 168.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 168.011, is amended by adding a subdivision to read:

Subd. 30. [FLEET.] "Fleet" means a combination of 1,000 or more vehicles and trailers owned by a person solely for the use of that person or employees of the person and registered in this state under section 2. It does not include vehicles licensed under section 168.187.

Sec. 2. [168.127] [FLEET VEHICLES; REGISTRATION, FEES.]

Subdivision 1. [REGISTRATION CATEGORY.] A unique registration category is established for vehicles and trailers of a fleet. Vehicles registered in the fleet must be issued a distinctive license plate. The design and size of the fleet license plate must be determined by the commissioner.

Subd. 2. [ANNUAL REGISTRATION PERIOD.] Instead of the registration period assigned for vehicles registered under

sections 168.014, 168.017, and 168.12, subdivisions 1 and 2a, a person may register a fleet on an annual basis. The annual registration period for vehicles in the fleet will be determined by the commissioner. By January 1, the applicant must provide all information necessary to qualify as a fleet registrant including a list of all vehicles in the fleet. On initial registration, all taxes and fees for vehicles in the fleet must be reassessed based on the expiration date. Gross weights for fleet vehicles may not be changed during the registration period.

Subd. 3. [REGISTRATION CARDS ISSUED.] On approval of the application for fleet registration the commissioner must issue a registration card for each qualified vehicle in the fleet. The registration card must be carried in the vehicle at all times and be made available to a peace officer on demand. Validation stickers must be issued to vehicles registered by gross weight.

Subd. 4. [FILING REGISTRATION APPLICATIONS.] Initial fleet applications for registration and renewals must be filed with the registrar or authorized representative at the main headquarters offices of the department of public safety in St. Paul.

Subd. 5. [RENEWAL OF FLEET REGISTRATION.] On the renewal of a fleet registration the registrant shall pay full licensing fees for every vehicle registered in the preceding year unless the vehicle has been properly deleted from the fleet. In order to delete a vehicle from a fleet, the fleet registrant must surrender to the commissioner the registration card, validation stickers, and license plates. If the card, stickers, or license plates are lost or stolen, the fleet registrant shall submit a sworn statement stating the circumstances for the inability to surrender the card, stickers, and license plates. The commissioner shall assess a penalty of 20 percent of the total tax due on the fleet against the fleet registrant who fails to renew the licenses issued under this section or fails to report the removal of vehicles from the fleet within 30 days. The penalty must be paid within 30 days after it is assessed.

Subd. 6. [FEES.] Instead of the \$3.25 filing fee for each vehicle, the applicant shall pay a \$3.25 administrative fee for each vehicle in the fleet. The administrative fee must be deposited in the state treasury and credited to the highway user tax distribution fund. A filing fee of \$3.25 must be collected by the processing office for an application regardless of the number of vehicles listed."

Amend the title as follows:

Page 1, line 2, delete "defining term;"

Page 1, line 3, delete "category and" and insert "a"

With the recommendation that when so amended the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 1765, A bill for an act relating to human services; prohibiting local governments from establishing special fire code requirements for small family day care homes; amending Minnesota Statutes 1984, section 299F.011, subdivision 4a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 245.791, is amended to read:

245.791 [EXCLUSIONS.]

Sections 245.781 to 245.812 shall not apply to:

- (1) Day care or residential care provided by a relative to related persons;
- (2) Day care or residential care provided for a cumulative total of less than 30 days in any 12-month period;
- (3) Day care provided for persons from a single unrelated family for any length of time;
- (4) A home caring for a person placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years after placement;
- (5) A licensed hospital whose psychiatric or chemical dependency program is located within the hospital;
- (6) A nursing home, hospital, or boarding care home, licensed by the state commissioner of health, except that an identifiable unit of such a facility which regularly provides care for more than five adults defined as persons in Minnesota Statutes, section 245.782, subdivision 2, who are not residents or patients of the nursing home, hospital, or boarding care home, must be licensed under sections 245.781 to 245.812;
- (7) A day care or residential program serving any number of adults who are not defined as persons under Minnesota Statutes, section 245.782, subdivision 2;

(8) A sheltered workshop day program, certified by the state board of education;

(9) A work activity day program, certified by the state board of education;

(10) A work-wage home providing care for one nonrelated child who has reached his sixteenth birthday and who has been independently placed for purposes of education or employment;

(11) A school under the general supervision of the commissioner of education or a local education agency;

(12) A residential or day care facility under the direct control and supervision of a local education agency or a state agency other than the commissioner;

(13) Day care provided for periods of no more than three hours per day for any person while his relatives are in the same building, or can be present in the same building within 30 minutes;

(14) Facilities which in the judgment of the commissioner of education are operated for the primary purpose of educating children shall be exempt from these rules and regulations except insofar as the regulations affect the health and safety of the children therein. The classrooms shall meet the applicable standards of the commissioner of public safety and state commissioner of health;

(15) Programs not located in family or group family day care homes and whose primary purpose is to provide activities outside the regular school day for children age five and over.

Sec. 2. Minnesota Statutes 1984, section 245.802, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall develop and promulgate rules and regulations pursuant to chapter 14 for the operation and maintenance of day care and residential facilities and agencies, and for granting, suspending, revoking, and making licenses probationary. In developing rules and regulations, he shall consult with:

(1) Other appropriate state agencies including, but not limited to, the state commissioner of health, the state board of education, and the fire marshal. Any agency consulted is directed to cooperate with and assist the commissioner in developing appropriate rules and regulations for the licensing of day care and residential facilities and agencies;

(2) Persons and the relatives of the persons who use the service;

- (3) Advocacy groups;
- (4) Representatives of those who operate day care or residential facilities or agencies;
- (5) Experts in relevant professional fields.

Rules promulgated under this section establishing the maximum number of children permitted to reside in group foster homes shall require that children in the group foster parents' natural family be counted in the number of children actually residing in the group foster home, and the application of the rules providing the maximum number and manner of counting residents shall not be waived. *The authority granted by this section is limited by section 8, subdivision 2.*

Sec. 3. [245.88] [PURPOSE.]

The legislature recognizes that a growing number of families need child care services. It is the intent of the legislature to ensure the availability of safe, affordable, quality child care throughout the state.

Sec. 4. [245.881] [CITATION.]

Sections 2 to 9 may be cited as the "child care services act." The child care services act is to be read in conjunction with the public welfare licensing act and with sections 245.83 to 245.87.

Sec. 5. [245.882] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 9.

Subd. 2. [AGENCY.] "Agency" means the county social or human service agency governed by the board of county commissioners.

Subd. 3. [APPLICANT.] "Applicant" means an applicant for licensure as a day care provider under Minnesota Rules, parts 9545.0315 to 9545.0445 or as a center under Minnesota Rules, parts 9503.0511 to 9503.0661.

Subd. 4. [CHILD.] "Child" has the definition given in section 245.83, subdivision 3.

Subd. 5. [CHILD CARE SERVICES.] "Child care services" has the definition given in section 245.83, subdivision 2.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 7. [DAY CARE.] "Day care" means the care of a child outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subd. 8. [DAY CARE RULE.] "Day care rule" means any rule promulgated under section 245.802 to regulate day care as defined in this section.

Subd. 9. [CONSUMER.] "Consumer" means a parent who places a child in day care.

Subd. 10. [DEPARTMENT.] "Department" means the department of human services.

Subd. 11. [PARENT.] "Parent" means a person who has the legal responsibility for a child such as the child's mother, father, or legally appointed guardian.

Subd. 12. [PROVIDER.] "Provider" means the day care license holder and primary caregiver.

Sec. 6. [STUDY.]

Subdivision 1. [TASK FORCE.] The commissioner shall establish a task force to study child care services in the state of Minnesota. The task force shall consist of representatives from counties; the legislature; providers; consumers; advocacy groups; and state agencies, including the state fire marshal, state building inspector, and the departments of human services and health.

Subd. 2. [FOCUS OF STUDY.] The task force shall consider at least the following matters related to day care:

- (1) availability of liability insurance for providers;*
- (2) safety and supervision factors which must be considered in developing child/staff ratios;*
- (3) identification of key indicators of quality day care;*
- (4) factors which must be considered in setting safety standards for day care facilities. In examining safety standards, the task force shall pay particular attention to simulation studies showing the evacuation of day care homes in case of fire;*
- (5) alternative approaches to the regulation of day care which:*
 - (i) give consumers an opportunity to find and choose day care situations suitable to their individual needs;*

(ii) *expand the availability of day care by allowing for restrictive and conditional day care licenses; and*

(iii) *set minimum standards of safety, sanitation, and the developmental needs of children and establish graduated levels of regulation for day care facilities which exceed minimum standards; and*

(6) *coordination with the USDA child care food program.*

Subd. 3. [RECOMMENDATIONS.] The task force shall report to the legislature recommendations for making quality, safe, affordable day care available to consumers throughout the state. Task force recommendations shall include, but not be limited to, the following matters:

(1) *child/staff ratios which will ensure safe, quality child care;*

(2) *standards for day care homes which will ensure the safety of children without placing undue financial burdens on providers;*

(3) *liability insurance requirements which will consider both the need to protect children and the importance of reducing financial burdens on the providers;*

(4) *methods of regulation which rely on performance standards rather than specification standards and which allow for flexibility in regulation; and*

(5) *guidelines for coordinating with the USDA child care food program in a manner which alleviates financial burdens on providers.*

Sec. 7. [REPORT.]

By October 1, 1986, the commissioner shall submit to the health and human services committees of the legislature a report containing the findings and recommendations of the task force and proposals for legislative action. By January 1, 1987, the commissioner shall compile and present to the health and human services committees of the legislature all proposed rules regarding day care.

Sec. 8. [CONDITIONAL LICENSE; ACTIONS SUSPENDED.]

Subdivision 1. [CONDITIONAL LICENSE.] Whenever a county agency determines that day care rules would require an applicant or provider to spend more than \$100 for physical

changes regarding fire safety, the fire marshal shall inspect the proposed day care home.

In carrying out the duties of this subdivision, the fire marshal shall:

(i) set forth the specific conditions under which the applicant or provider will be allowed to operate, and

(ii) explain, with reference to specific day care rules, how the conditions ensure safety of the day care home.

The commissioner has final authority to grant or deny a request for a conditional license.

Subd. 2. [DAY CARE RULES.] The commissioner shall adopt no additional day care rules except those for which notice was published in the state register on January 27, 1986.

Subd. 3. [REGULATION BY LOCAL GOVERNMENT.] The authority of local units of government to establish requirements for day care facilities is limited by Minnesota Statutes, section 299F.011, subdivision 4a, clauses (1) and (2).

Sec. 9. [245.883] [DUTIES OF COMMISSIONER.]

The commissioner shall:

(1) summarize day care rules in language understandable to the general public and provide a copy of each rule and its summary to each agency and provider;

(2) develop and distribute to providers and applicants an information brochure, in language understandable to the general public, which:

(a) describes services offered to applicants by the department under section 245.783, subdivision 1;

(b) summarizes procedures for appealing a denial, revocation, suspension, or nonrenewal of license as set forth in section 245.801 and in rules promulgated by the commissioner;

(c) explains penalties for failure to license a day care facility or failure to take corrective action as set forth in section 245.803; and

(d) explains the necessity of maintaining and providing access to records as set forth in section 245.804.

(3) *provide an information service to consumers and providers. The information service shall interpret day care rules to consumers and providers;*

(4) *ensure that day care rules are interpreted uniformly throughout the state by providing information, training, and technical assistance to licensing agencies prior to implementing a day care rule or any revision to a day care rule; and*

(5) *ensure that day care rules promulgated after July 1, 1987, reflect the needs of consumers and providers throughout the state by consulting with people from urban, suburban, and rural communities and with families which reflect the diversity of families who use day care.*

Sec. 10. [245.884] [CERTIFICATION STANDARDS.]

Subdivision 1. The commissioner of human services shall develop certification standards for use by county boards to certify people who license day care facilities. The commissioner of public safety shall develop certification standards for use by county boards to certify fire inspectors for day care facilities. The commissioners of human services and public safety shall report their proposed standards to the health and human services committees of the legislature before implementation.

Sec. 11. Minnesota Statutes 1984, section 299F.011, subdivision 4a, is amended to read:

Subd. 4a. [FAMILY OR GROUP FAMILY DAY CARE HOME REGULATION.] Notwithstanding any other provision of law, a local unit of government in cities of the first class except for the city of Duluth may establish more restrictive requirements pertaining only to life safety measures for family day care homes serving fewer than ten and more than five children. In all other areas, a local unit of government shall not establish more restrictive requirements for family day care homes serving ten or fewer children than the requirements that apply to residential dwellings not used for family day care. When a local authority believes that the day care facility presents a life threatening hazard, the fire authority may then request in writing that the state fire marshal allow more restrictive requirements for that facility. The state fire marshal has final authority to grant or deny the request. Notwithstanding any contrary provision of this section, the fire marshal shall not adopt or enforce a rule:

(1) *establishing staff ratios, age distribution requirements, and limitations on the number of children in care;*

(2) *regulating the means of egress from family or group family day care homes in addition to the egress regulations that apply to the home as a (SINGLE FAMILY) residential dwelling; or*

(3) confining family or group family day care home activities to the floor of exit discharge.

For purposes of this subdivision, "family day care home" or "group family day care home" means a (SINGLE FAMILY) residential dwelling in which the day care provider: (1) resides as a member of the household; and (2) provides the services referred to in section 245.782, subdivision 5, to one or more persons.

Nothing in this subdivision prohibits the department of human services from adopting or enforcing rules regulating day care, including the subjects in subdivision 4a, clauses (1) and (3). The department may not, however, adopt or enforce a rule stricter than subdivision 4a, clause (2).

The department of human services may by rule adopt procedures for requesting the state fire marshal or a local fire marshal to conduct an inspection of day care homes to ensure compliance with state or local fire codes.

Sec. 12. Minnesota Statutes 1984, section 466.01, is amended by adding a subdivision to read:

Subd. 4. For the purposes of sections 466.01 to 466.15, "day care facility" has the meaning given in Minnesota Statutes 1984, section 245.782, subdivision 5.

Sec. 13. Minnesota Statutes 1984, section 466.01, is amended by adding a subdivision to read:

Subd. 5. For the purposes of sections 466.01 to 466.15, "provider" has the meaning given in section 4, subdivision 12.

Sec. 14. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 6d. [LICENSING OF PROVIDERS.] Any claim against a municipality based on the failure of a provider to meet the standards needed for a license to operate a day care facility.

Sec. 15. [466.131] [INDEMNIFICATION BY STATE.]

A municipality is an employee of the state for purposes of the indemnification provisions of section 3.736, subdivision 9, when the municipality is acting under the public welfare licensing act and rules promulgated thereunder to inspect or investigate a provider.

Sec. 16. [REPEALER.]

Sections 6 to 8 are repealed effective July 1, 1987.

Sec. 17. [EFFECTIVE DATE.]

This act is effective upon final enactment."

Delete the title and insert:

"A bill for an act relating to human services; setting forth legislative direction for child care services; excluding certain programs from licensing requirements; authorizing a study; ensuring safe, affordable, quality child care; directing the commissioner of human services to provide information to providers and consumers of day care; suspending administrative authority until further consideration by the legislature; indemnifying counties; amending Minnesota Statutes 1984, sections 245.791; 245.802, subdivision 1; 299F.011, subdivision 4a; 466.01, by adding subdivisions; 466.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245 and 466."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 1767, A bill for an act relating to taxation; imposing a tax on marijuana and controlled substances; requiring dealers in marijuana and controlled substances to obtain a license; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 297D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Sec. 1. [297D.01] [DEFINITIONS.]

Subdivision 1. "Marijuana" means any marijuana, whether real or counterfeit, as defined in section 152.01, subdivision 9, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws.

Subd. 2. "Controlled substance" means any drug or substance, whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled substance" does not include marijuana.

Subd. 3. "Dealer" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports

into Minnesota or in any manner acquires or possesses more than one and one-half ounces of marijuana, or two grams of any controlled substance, or more than ten dosage units of any controlled substance which is not sold by weight, upon which the taxes have not been paid as required by sections 1 to 14.

Subd. 4. *“Commissioner” means the commissioner of revenue.*

Sec. 2. [297D.02] [ADMINISTRATION.]

The commissioner of revenue shall administer sections 1 to 14. Payments required by sections 1 to 14 must be made to the commissioner on the form provided by the commissioner. The commissioner shall collect all taxes under sections 1 to 14.

Sec. 3. [297D.03] [RULES.]

The commissioner may adopt rules necessary to enforce sections 1 to 14. The commissioner shall adopt a uniform system of providing, affixing, and displaying official stamps, official labels, or other official indicia for marijuana and controlled substances on which a tax is imposed.

Sec. 4. [297D.04] [TAX PAYMENT REQUIRED FOR POSSESSION.]

No dealer may possess any marijuana or controlled substance upon which a tax is imposed by section 8 unless the tax has been paid on the marijuana or other controlled substance as evidenced by a stamp or other official indicia.

Sec. 5. [297D.05] [NO IMMUNITY.]

Nothing in this chapter may in any manner provide immunity for a dealer from criminal prosecution pursuant to Minnesota law.

Sec. 6. [297D.06] [PHARMACEUTICALS.]

Nothing in sections 1 to 14 requires persons registered under chapter 151 or otherwise lawfully in possession of marijuana or a controlled substance to pay the tax required under this chapter.

Sec. 7. [297D.07] [MEASUREMENT.]

For the purpose of calculating the tax under section 8, an ounce of marijuana or other controlled substance is measured by the weight of the substance in the dealer's possession.

Sec. 8. [297D.08] [TAX RATE.]

A tax is imposed on marijuana and controlled substances as defined in section 1 at the following rates:

(1) on each ounce of marijuana, or each portion of an ounce, \$100; and

(2) on each ounce of controlled substance, or portion of an ounce, \$5,000; or

(3) on each 50 dosage units of a controlled substance that is not sold by weight, or portion thereof, \$2,000.

Sec. 9. [297D.09] [FAILURE TO FILE, FILING FALSE OR FRAUDULENT RETURN; INTENT TO EVADE TAX; CRIMINAL PROVISIONS.]

Subdivision 1. [PENALTIES.] Any dealer violating sections 1 to 14 is subject to a penalty of 100 percent of the tax in addition to the tax imposed by section 8. In addition to the tax penalty imposed, a dealer distributing or possessing marijuana or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, 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. 2. [STATUTE OF LIMITATIONS.] Notwithstanding section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed upon any criminal offense specified in this section, in the proper court within six years after the commission of this offense.

Sec. 10. [297D.10] [STAMP PRICE.]

A dealer shall purchase from the department official stamps, labels, or other indicia to be affixed to all marijuana or controlled substances. The dealer shall pay 100 percent of face value for each stamp, label, or other indicia at the time of the purchase.

Sec. 11. [297D.11] [PAYMENT DUE.]

Subdivision 1. [STAMPS AFFIXED.] When a dealer purchases, acquires, transports, or imports into this state marijuana or controlled substances on which a tax is imposed by section 8, and if the indicia evidencing the payment of the tax have not already been affixed, the dealer shall have them permanently affixed on the marijuana or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. [PAYABLE ON POSSESSION.] Taxes imposed upon marijuana or controlled substances by sections 1 to 14 are due and payable immediately upon acquisition or possession in this state by a dealer.

Sec. 12. [297D.12] [ALL ASSESSMENTS ARE JEOPARDY.]

Subdivision 1. [ASSESSMENT PROCEDURE.] An assessment for a dealer not possessing stamps or other official indicia showing that the tax has been paid shall be considered a jeopardy assessment or collection, as provided in section 270.70. The commissioner shall assess a tax based on personal knowledge or information available to the commissioner; mail 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 prescribed in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270. Section 270.70, subdivision 4, paragraph (a), does not apply to sections 1 to 14.

Subd. 2. [INJUNCTION PROHIBITED.] No person may bring suit to enjoin the assessment or collection of any taxes, interest, or penalties imposed by sections 1 to 14.

Subd. 3. [STANDARD OF PROOF.] The tax and penalties assessed by the commissioner are presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show their incorrectness or invalidity. Any statement filed by the commissioner with the clerk of court, or any other certificate by the commissioner of the amount of tax and penalties determined or assessed is admissible in evidence and is prima facie evidence of the facts it contains.

Sec. 13. [297D.13] [CONFIDENTIAL NATURE OF INFORMATION.]

Subdivision 1. [CONTENTS OF RETURN.] Neither the commissioner nor a public employee may reveal facts contained in a report or return required by sections 1 to 14, nor can any information contained in such a report or return be used against the dealer in any criminal proceeding, unless independently obtained, except in connection with a proceeding involving taxes due under sections 1 to 14 from the taxpayer making the return.

Subd. 2. [EVIDENCE.] (a) A person called to testify or produce evidence before the commissioner or an agent of the commissioner may not refuse to do so on the grounds that the testimony or evidence might tend to incriminate the person or subject the person to a criminal penalty.

(b) *No testimony or other information directly or indirectly derived from the testimony or other information given by a person described in paragraph (a) may be used against that person in any criminal case.*

Sec. 14. [297D.14] [INVESTIGATORY POWERS.]

For the purpose of determining the correctness of any return, determining the amount of tax that should have been paid, determining whether or not the dealer should have made a return or paid taxes, or collecting any taxes under this chapter, the commissioner may examine, or cause to be examined, any books, papers, records, or memoranda, that may be relevant to making such determinations, whether the books, papers, records, or memoranda, are the property of or in the possession of the dealer or another person. The commissioner may require the attendance of any person having knowledge or information that may be relevant, compel the production of books, papers, records, or memoranda by persons required to attend, take testimony on matters material to the determination, and administer oaths or affirmations. Upon demand of the commissioner or any examiner or investigator, the clerk of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, and memoranda. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter is punishable by the district court of the district in which the subpoena is issued, or, if the subpoena is 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 district court."

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, delete line 4

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 1803, A bill for an act relating to traffic regulations; authorizing municipalities to permit handicapped persons to operate three-wheel off-road vehicles on city streets and roads under certain conditions; amending Minnesota Statutes 1984, section 169.045.

Reported the same back with the following amendments:

Page 1, line 16, delete *“three-wheel off-road vehicles as defined in section”*

Page 1, line 17, delete *“84.92”* and insert *“four-wheel all-terrain vehicles”*

Page 1, line 19, delete *“three-wheel off-road”* and insert *“four-wheel all-terrain”*

Page 2, line 5, delete *“three-wheel off-road”* and insert *“four-wheel all-terrain”*

Page 2, line 9, delete *“three-wheel off-road”* and insert *“four-wheel all-terrain”*

Page 2, line 11, delete *“three-wheel off-road”* and insert *“four-wheel all-terrain”*

Page 2, line 18, delete the new language

Page 2, line 22, delete *“three-wheel off-road”* and insert *“four-wheel all-terrain”*

Page 2, line 26, delete *“three-wheel off-road”* and insert *“four-wheel all-terrain”*

Page 2, line 30, delete *“three-wheel”*

Page 2, line 31, delete *“off-road”* and insert *“four-wheel all-terrain”*

Page 2, line 35, delete *“three-wheel off-road”* and insert *“four-wheel all-terrain”*

Page 3, line 3, delete *“three-wheel off-road”* and insert *“four-wheel all-terrain”*

Page 3, after line 4, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 4, delete *“three-wheel off-road”* and insert *“four-wheel all-terrain”*

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1804, A bill for an act relating to airports; requiring approval of pollution control agency for expanded capacity at Minneapolis-St. Paul International Airport; amending Minnesota Statutes 1984, section 473.612.

Reported the same back with the following amendments:

Page 2, line 16, delete "*The agency may*"

Page 2, delete lines 17 to 24 and insert "*The agency must approve or disapprove within 90 days, after providing the commission with reasonable opportunity to make specific amendments necessary to gain agency approval. The commission may not undertake a capital project, or borrow money or issue bonds for a capital project, that would result in an increase in aircraft noise as determined by the agency, unless the agency has approved the commission's plan, goals, and most recent annual report or unless the agency specifically approves the project.*"

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Transportation.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 1863, A bill for an act relating to crimes; clarifying the crime of failing to file a tax return; creating a presumption that property acquired during the course of certain crimes are "proceeds" of the crime for purposes of forfeiture law; providing a court procedure to freeze bank funds of persons charged with certain crimes; amending Minnesota Statutes 1985 Supplement, sections 290.92, subdivision 15; and 609.531, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Page 3, line 9, after the stricken "truthfully" insert "to"

Page 3, line 10, after the first "or" insert "to"

Page 3, line 11, after "or" insert "willfully"

Pages 6 and 7, delete section 3

Page 7, line 31, delete "to 3" and insert "and 2"

Renumber the remaining section

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete everything before "amending"

Page 1, line 9, delete "; proposing"

Page 1, line 10, delete everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1873, A bill for an act relating to workers' compensation; regulating the obligations and administration of the special compensation fund; regulating the payment and right to benefits; compensation court of appeals; regulating attorneys' fees; providing for the administration of claims; providing penalties; amending Minnesota Statutes 1984, sections 176.041, subdivision 4; 176.081, subdivision 1; 176.101, subdivisions 2, 3f, and 3v; 176.104, subdivision 1; 176.105, subdivision 4; 176.111, subdivisions 6, 12, 15, and 20; 176.129, subdivision 8; 176.131, subdivisions 1a and 3; 176.135, subdivision 1a; 176.138; 176.179; 176.225, subdivision 1; 176.231, subdivisions 1 and 10; 176.242, subdivision 2; 176.243, subdivision 3; 176.361, subdivision 1; 176.421, subdivision 6; 176.461; 176.521, subdivision 3; 176.603; 176.611, subdivision 2; Minnesota Statutes 1985 Supplement, section 176.101, subdivision 3e; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1984, sections 176.265; 176.431; 176.441; and 176.611, subdivisions 3 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [79.531] [NEGLIGENTLY PAID CLAIMS.]

An insurer who has negligently paid benefits under chapter 176 may not charge the payment to the employer's experience rating.

Sec. 2. Minnesota Statutes 1984, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of his employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided that the weekly wage for part-time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. (THE MAXIMUM WEEKLY COMPENSATION PAYABLE TO AN EMPLOYEE, OR TO HIS DEPENDENTS IN THE EVENT OF DEATH, SHALL NOT EXCEED 66-2/3 PERCENT OF THE PRODUCT OF THE DAILY WAGE TIMES THE NUMBER OF DAYS NORMALLY WORKED, PROVIDED THAT THE COMPENSATION PAYABLE FOR PERMANENT PARTIAL DISABILITY UNDER SECTION 176.101, SUBDIVISION 3, AND FOR PERMANENT TOTAL DISABILITY UNDER SECTION 176.101, SUBDIVISION 4, OR DEATH UNDER SECTION 176.111, SHALL NOT BE COMPUTED ON LESS THAN THE NUMBER OF HOURS NORMALLY WORKED IN THE EMPLOYMENT OR INDUSTRY IN WHICH THE INJURY WAS SUSTAINED, SUBJECT ALSO TO SUCH MAXIMUMS AS ARE SPECIFICALLY OTHERWISE PROVIDED.)

Sec. 3. Minnesota Statutes 1984, section 176.011, is amended by adding a subdivision to read:

Subd. 27. [SPENDABLE WEEKLY EARNINGS.] (a) "Spendable weekly earnings" means the employee's weekly wage, as defined by subdivision 18, reduced by both of the following:

(1) an amount equal to a prorated weekly amount which would have been withheld under the withholding tables in effect on July 1, in the year preceding the injury, under Minnesota law and under the Internal Revenue Code of 1954, as amended, using the number of exemptions allowed for the employee, including old age and blindness, and for actual dependents to which the employee is entitled on the date of injury; and

(2) *an amount equal to the weekly amount required to be withheld, as of July 1, in the year preceding the injury, under the Social Security Act of 1935, as amended, from the earnings of the employee at the time of the injury as if the earnings were earned at the beginning of the calendar year in which the employee was injured.*

(b) *Each December 1, the commissioner of the department of labor and industry shall publish uniform tables of spendable weekly earnings, as defined in paragraph (a). This table shall be conclusive for the purpose of converting a weekly wage into spendable weekly earnings during the subsequent calendar year.*

Sec. 4. Minnesota Statutes 1984, section 176.011, is amended by adding a subdivision to read:

Subd. 28. [PROFESSIONAL ATHLETE.] Professional athlete means a person whose primary occupation or employment is baseball, basketball, football, boxing, hockey, soccer, polo, tennis, wrestling, or other athletic games.

Sec. 5. Minnesota Statutes 1984, section 176.012, is amended to read:

176.012 [ELECTION OF COVERAGE.]

The persons, partnerships and corporations described in this section may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c) may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) A person, partnership, or corporation hiring an independent contractor, as defined (BY RULES ADOPTED BY THE COMMISSIONER) *in chapter 176C*, may elect to provide coverage for that independent contractor.

A person, partnership, or corporation may charge the independent contractor a fee for providing the coverage only if the inde-

pendent contractor (1) elects in writing to be covered, (2) is issued an endorsement setting forth the terms of the coverage and the name of the independent contractor, and (3) the fee and how it is calculated. An employer shall not base the amount of the fee on wages paid for vacation, holiday, or sick leave and shall not deduct any fee from those wages.

The persons, partnerships and corporations described in this section may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this section. Coverage may be elected for a spouse, parent or child whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this section shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this section shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this section. An election of coverage under this section shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this section shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 6. Minnesota Statutes 1984, section 176.021, subdivision 1, is amended to read:

Subdivision 1. [LIABILITY FOR COMPENSATION.] Except as excluded by this chapter all employers and employees are subject to the provisions of this chapter.

Every employer is liable for compensation according to the provisions of this chapter and is liable to pay compensation in every case of personal injury or death of his employee arising out of and in the course of employment without regard to the question of negligence. The burden of proof of these facts is upon the employee.

If the injury was intentionally self-inflicted or the intoxication of, or use of drugs or controlled substances by, the employee is the proximate cause of the injury, then the employer is not liable for compensation. The burden of proof of these facts is upon the employer.

Sec. 7. Minnesota Statutes 1984, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to a person employed by a common carrier by railroad engaged in interstate or foreign commerce and who is covered by the Federal Employers' Liability Act, United States Code, title 45, sections 51 to 60, or other comparable federal law; to a person employed by a family farm as defined by section 176.011, subdivision 11a, or the spouse, parent, and child, regardless of age, of a farmer-employer working for the farmer-employer; to a partner engaged in a farm operation or a partner engaged in a business and the spouse, parent, and child, regardless of age, of a partner in the farm operation or business; to an executive officer of a family farm corporation; to an executive officer of a closely held corporation referred to in section 176.012; to a spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, and employed by that family farm corporation; to a spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation referred to in section 176.012; to another farmer or to a member of the other farmer's family exchanging work with the farmer-employer or family farm corporation operator in the same community; to a person whose employment at the time of the injury is casual and not in the usual course of the trade, business, profession, or occupation of the employer; persons who are independent contractors as defined (BY RULES ADOPTED BY THE COMMISSIONER PURSUANT TO SECTION 176.83) *in chapter 176C*, except that this exclusion does not apply to an employee of an independent contractor; nor does this chapter apply to an officer or a member of a veterans' organization whose employment relationship arises solely by virtue of attending meetings or conventions of the veterans' organization, unless the veterans' organization elects by resolution to provide coverage under this chapter for the officer or member.

Neither does the chapter apply to a person employed as a household worker in, for, or about a private home or household who earns less than (\$500) \$1,000 in cash in a three-month period from a single private home or household provided that a household worker who has earned (\$500) \$1,000 or more from the household worker's present employer in a three-month period within the previous year is covered by this chapter regardless of whether or not the household worker has earned (\$500) \$1,000 in the present quarter.

This chapter does not apply to those persons employed by a corporation if those persons are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to the officers of the corporation, and if the corporation files a written election with the commissioner to have those persons excluded from this chapter except that a written election

is not required for a person who is otherwise excluded from this chapter by this section.

This chapter does not apply to a nonprofit association which does not pay more than (\$500) \$1,000 in salary or wages in a year.

This chapter does not apply to persons covered under the Domestic Volunteer Service Act of 1973, as amended, 42 U.S.C. sections 5011, et seq.

Sec. 8. Minnesota Statutes 1984, section 176.041, subdivision 2, is amended to read:

Subd. 2. [EXTRA-TERRITORIAL APPLICATION.] If an employee who regularly performs the primary duties of his employment within this state (, OR WHO IS HIRED WITHIN THIS STATE,) receives an injury while outside of this state in the employ of the same employer, the provisions of this chapter shall apply to such injury (UNLESS THE TRANSFER IS NORMALLY CONSIDERED TO BE PERMANENT). If a resident of this state is transferred outside the territorial limits of the United States as an employee of a Minnesota employer, he shall be presumed to be temporarily employed outside of this state while so employed.

Sec. 9. Minnesota Statutes 1984, section 176.041, subdivision 3, is amended to read:

Subd. 3. [TEMPORARY OUT-OF-STATE EMPLOYMENT.] If an employee hired in this state by a Minnesota employer, receives an injury while temporarily employed outside of this state, such injury shall be subject to the provisions of this chapter. (IF THE EMPLOYER'S BUSINESS IS IN MINNESOTA AND THE EMPLOYEE'S RESIDENCE IS IN MINNESOTA EMPLOYMENT OUTSIDE OF THIS STATE SHALL BE CONSIDERED TEMPORARY.)

Sec. 10. Minnesota Statutes 1984, section 176.041, subdivision 4, is amended to read:

Subd. 4. [OUT-OF-STATE EMPLOYMENTS.] If an employee who regularly performs the primary duties of his employment outside of this state or is hired to perform the primary duties of his employment outside of this state, receives an injury within this state in the employ of the same employer, such injury shall be covered within the provisions of this chapter if the employee chooses to forego any workers' compensation claim resulting from the injury that he may have a right to pursue in some other state. *Coverage under this subdivision shall be assumed by the employer or its insurer, and shall not be assumed or paid by the special compensation fund.*

Sec. 11. Minnesota Statutes 1984, section 176.041, is amended by adding a subdivision to read:

Subd. 5a. [OUT-OF-STATE INJURIES.] Except as specifically provided by subdivisions 2 and 3, injuries occurring outside of this state are not subject to this chapter.

Sec. 12. Minnesota Statutes 1984, section 176.081, subdivision 1, is amended to read:

Subdivision 1. (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next \$27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in clause (b). If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. *Fees for administrative conferences under sections 176.242, 176.2421, 176.243, or 176.244 shall be determined on an hourly basis, according to the criteria in subdivision 5.*

(b) An attorney who is claiming legal fees under this section shall file a statement of attorney's fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee.

If a timely objection is filed, *or the fee is determined on an hourly basis*, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5.

If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

Sec. 13. Minnesota Statutes 1984, section 176.081, subdivision 7, is amended to read:

Subd. 7. If the employer or insurer files a denial of liability, notice of discontinuance, or fails to make payment of compensation or medical expenses within the statutory period after notice of injury or occupational disease, or otherwise unsuccessfully resists the payment of compensation or medical expenses, or unsuccessfully disputes the payment of rehabilitation benefits or other aspects of a rehabilitation plan, and the injured person has employed an attorney at law, who successfully procures payment on behalf of the employee or who enables the resolution of a dispute with respect to a rehabilitation plan, the compensation judge, commissioner, or the workers' compensation court of appeals upon appeal, upon application, shall award to the employee against the insurer or self-insured employer or uninsured employer, in addition to the compensation benefits paid or awarded to the employee, an amount equal to 25 percent of that portion of the attorney's fee which has been awarded pursuant to this section that is in excess of \$250, *except in cases where the employer or insurer has denied primary liability, 100 percent of reasonable attorney fees may be awarded.*

Sec. 14. Minnesota Statutes 1984, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, the compensation is (66-2/3) 80 percent of (THE) *spendable* weekly (WAGE) *earnings* at the time of injury

(1) provided that during the year commencing on October 1, 1979, and each year thereafter, commencing on October 1, the maximum weekly compensation payable is the statewide average weekly wage for the period ending December 31, of the preceding year.

(2) The minimum weekly compensation benefits for temporary total disability shall be not less than (50) 20 percent of the statewide average weekly wage or the injured employee's (ACTUAL) *spendable* weekly (WAGE) *earnings*, whichever is (LESS) *more*. (IN NO CASE SHALL A WEEKLY BENEFIT BE LESS THAN 20 PERCENT OF THE STATEWIDE AVERAGE WEEKLY WAGE.)

Subject to subdivisions 3a to 3u this compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be.

Sec. 15. Minnesota Statutes 1984, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be $(66-2/3)$ 80 percent of the difference between the *spendable* weekly (WAGE) *earnings* of the employee at the time of injury and the (WAGE) *spendable weekly earnings* the employee is able to earn in the employee's partially disabled condition. This compensation shall be paid during the period of disability except as provided in section 176.101, *commencing upon the employee's return to work at a suitable job before the end of the 90-day period referred to in subdivision 3e. Notwithstanding subdivision 3n, if the employee commences a suitable job before the end of the 90-day period referred to in subdivision 3e, temporary partial benefits are payable during the period of disability. Temporary partial compensation shall also be paid during the period of disability commencing upon the employee's return to work at a light-duty job under subdivision 3f and terminating upon commencement of economic recovery compensation. Payment under this subdivision is to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage. If the employer does not furnish the employee with work which the employee can perform in the partially disabled condition and the partial disability is a significant factor in the employee's inability to procure such work with another employer, and the employee has made a reasonable diligent effort to find work, the employee shall be paid temporary total disability benefits, subject to the limitations of subdivisions 3a to 3v.*

Sec. 16. Minnesota Statutes 1984, section 176.101, is amended by adding a subdivision to read:

Subd. 2a. [TEMPORARY PARTIAL DISABILITY; PROFESSIONAL ATHLETE.] A professional athlete is not eligible to receive temporary partial disability compensation under this chapter for any period of disability resulting from an injury arising out of and in the course of employment as a professional athlete.

Sec. 17. Minnesota Statutes 1984, section 176.101, subdivision 3a, is amended to read:

Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.] If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be $(66-2/3)$ 80 percent of the *spendable* weekly (WAGE) *earnings* at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent partial disability up to the percent of the whole body in the following schedule the compensation shall be paid for the proportion that the loss of function of the disabled part bears to the whole body multiplied by the number of weeks aligned with that percent.

Percent of disability	Weeks of compensation
0-25	600
26-30	640
31-35	680
36-40	720
41-45	760
46-50	800
51-55	880
56-60	960
61-65	1040
66-70	1120
71-100	1200

The percentage loss in all cases under this subdivision is determined according to the (RULES ADOPTED BY THE COMMISSIONER PURSUANT TO SECTION 176.105, SUBDIVISION 4) *provisions of chapter 176B*. This subdivision applies to an injury which occurs on or after January 1, 1984.

Sec. 18. Minnesota Statutes 1984, section 176.101, subdivision 3b, is amended to read:

Subd. 3b. [IMPAIRMENT COMPENSATION.] An employee who suffers a permanent partial disability due to a personal injury and receives impairment compensation under this section shall receive compensation in an amount as provided by this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule the amount shall be equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

Percent of disability	Amount
0-25	\$ 75,000
26-30	80,000
31-35	85,000

36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

For all cases under this subdivision the percentage loss of function of a part of the body is determined according to the (RULES ADOPTED BY THE COMMISSIONER PURSUANT TO SECTION 176.105, SUBDIVISION 4) *provisions of chapter 176B*. This subdivision applies to an injury which occurs on or after January 1, 1984.

Sec. 19. Minnesota Statutes 1985 Supplement, section 176.101, subdivision 3e, is amended to read:

Subd. 3e. [END OF TEMPORARY TOTAL COMPENSATION; *SUITABLE JOB*.] (a) Ninety days after an employee has reached maximum medical improvement *and the medical report described in clause (c) has been served on the employee*, or 90 days after the end of an approved retraining program, whichever is later, the employee's temporary total compensation shall cease. This cessation shall occur at an earlier date if otherwise provided by this chapter.

(b) If at any time prior to the end of the 90-day period described in clause (a) the employee retires or the employer furnishes work to the employee that is consistent with an approved plan of rehabilitation and meets the requirements of section 176.102, subdivision 1, or, if no plan has been approved, that the employee can do in his or her physical condition and

that job produces an economic status as close as possible to that the employee would have enjoyed without the disability, or the employer procures this employment with another employer or the employee accepts this job with another employer, temporary total compensation shall cease and the employee shall, if appropriate, receive impairment compensation pursuant to subdivision 3b. This impairment compensation is in lieu of economic recovery compensation under subdivision 3a, and the employee shall not receive both economic recovery compensation and impairment compensation. Temporary total compensation and impairment compensation shall not be paid concurrently. Once temporary total compensation ceases no further temporary total compensation is payable except as specifically provided by this section.

(c) Upon receipt of a written medical report indicating that the employee has reached maximum medical improvement, the employer or insurer shall serve a copy of the report upon the employee and shall file a copy with the division. The beginning of the 90-day period *described in clause (a)* shall commence on the day this report is served on the employee for the purpose of determining whether a job offer consistent with the requirements of this subdivision is made. A job offer may be made before the employee reaches maximum medical improvement.

(d) The job which is offered or procured by the employer or accepted by the employee under clause (b) does not necessarily have to commence immediately but shall commence within a reasonable period after the end of the 90-day period described in clause (a). Temporary total compensation shall not cease under this subdivision until the job commences.

(e) If the job offered under clause (a) is *offered or procured by the employer and is not the job the employee had at the time of injury it shall be offered and described in writing (AND). The written description shall state the nature of the job, the rate of pay, the physical requirements of the job, and any other information necessary to fully and completely inform the employee of the job duties and responsibilities. The written description and the written offer need not be contained in the same document.*

The employee has 14 calendar days *after receipt of the written description and offer to accept or reject the job offer. If the employee does not respond within this period it is deemed a refusal of the offer. Where there is an administrative conference to determine suitability under section 176.101, subdivision 3v, or 176.242, the period begins to run on the date of the commissioner's decision.*

(f) Self-employment may be an appropriate job under this subdivision.

The commissioner shall monitor application of this subdivision and may adopt rules to assure its proper application.

Sec. 20. Minnesota Statutes 1984, section 176.101, subdivision 3f, is amended to read:

Subd. 3f. [*LIGHT-DUTY JOB PRIOR TO (MAXIMUM MEDICAL IMPROVEMENT) THE END OF TEMPORARY TOTAL COMPENSATION.*] If the employer offers a job prior to (THE EMPLOYEE REACHING MAXIMUM MEDICAL IMPROVEMENT) *the end of the 90-day period referred to in subdivision 3e, paragraph (a)* and the job is consistent with an approved plan of rehabilitation or if no rehabilitation plan has been approved and the job is within the employee's physical limitations; or the employer procures a job for the employee with another employer which meets the requirements of this subdivision; or the employee accepts a job with another employer which meets the requirements of this subdivision, the employee's temporary total compensation shall cease. In this case the employee shall receive impairment compensation for the permanent partial disability which is ascertainable at that time. This impairment compensation shall be paid at the same rate that temporary total compensation was last paid. Upon (REACHING MAXIMUM MEDICAL IMPROVEMENT) *the end of temporary total compensation under subdivision 3e, paragraph (a)*, the provisions of subdivisions 3e or 3p apply, whichever is appropriate, and economic recovery compensation or impairment compensation is payable accordingly except that the compensation shall be offset by impairment compensation received under this subdivision.

Sec. 21. Minnesota Statutes 1985 Supplement, section 176.101, subdivision 3t, is amended to read:

Subd. 3t. [MINIMUM ECONOMIC RECOVERY COMPENSATION.] ((A)) Economic recovery compensation pursuant to this section shall be at least 120 percent of the impairment compensation the employee would receive if that compensation were payable to the employee.

((B) WHERE AN EMPLOYEE HAS SUFFERED A PERSONAL INJURY FOR WHICH TEMPORARY TOTAL COMPENSATION IS PAYABLE BUT WHICH PRODUCES NO PERMANENT PARTIAL DISABILITY AND THE EMPLOYEE IS UNABLE TO RETURN TO HIS FORMER EMPLOYMENT FOR MEDICAL REASONS ATTRIBUTABLE TO THE INJURY, THE EMPLOYEE SHALL RECEIVE 26 WEEKS OF ECONOMIC RECOVERY COMPENSATION. THIS PARAGRAPH SHALL NOT BE USED TO DETERMINE MONITORING PERIOD COMPENSATION UNDER SUBDIVISION 3I AND SHALL NOT BE A MINIMUM FOR DETERMINING THE AMOUNT OF COMPENSATION WHEN AN EMPLOYEE HAS SUFFERED A PERMANENT PARTIAL DISABILITY.)

Sec. 22. Minnesota Statutes 1984, section 176.101, subdivision 4, is amended to read:

Subd. 4. [PERMANENT TOTAL DISABILITY.] For permanent total disability, as defined in subdivision 5, the compensation shall be $(66\frac{2}{3})$ 80 percent of the (DAILY WAGE) *spendable weekly earnings* at the time of the injury, subject to a maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to the minimum weekly compensation for a temporary total disability. This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless he has wholly dependent on him for support some person named in section 176.111, subdivisions 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased.

Sec. 23. Minnesota Statutes 1984, section 176.103, subdivision 2, is amended to read:

Subd. 2. [SCOPE.] (a) The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. The commissioner may penalize, disqualify, or suspend a provider from receiving payment for services rendered under this chapter, if the commissioner determines that the provider has violated any part of this chapter or rule adopted under this chapter. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section.

Except as provided in paragraph (b), the commissioner has the sole authority to make determinations under this section with

a right of appeal to the medical services review board as provided in subdivision 3 and the workers' compensation court of appeals. A compensation judge has no jurisdiction in making determinations under this section.

(b) The commissioner has authority under this section to make determinations regarding medical causation. Objections to these determinations shall be referred to the chief administrative law judge for a de novo hearing before a compensation judge, with a right to review by the workers' compensation court of appeals, as provided in this chapter.

Sec. 24. Minnesota Statutes 1984, section 176.104, subdivision 1, is amended to read:

Subdivision 1. [DISPUTE.] If there exists a dispute regarding *medical causation* or whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4, prior to determination of liability, the employee shall be referred by the commissioner to the division of vocational rehabilitation which shall provide rehabilitation consultation if appropriate. The services provided by the division of vocational rehabilitation and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be monitored by the commissioner.

Sec. 25. Minnesota Statutes 1984, section 176.105, subdivision 4, is amended to read:

Subd. 4. [(LEGISLATIVE INTENT; RULES; LOSS OF MORE THAN ONE BODY PART) DISABILITY FORMULA.] ((A) FOR THE PURPOSE OF ESTABLISHING A DISABILITY SCHEDULE PURSUANT TO CLAUSE (B) OF THIS SUBDIVISION, THE LEGISLATURE DECLARES ITS INTENT THAT THE COMMISSIONER ESTABLISH A DISABILITY SCHEDULE WHICH, ASSUMING THE SAME NUMBER AND DISTRIBUTION OF SEVERITY OF INJURIES, THE AGGREGATE TOTAL OF IMPAIRMENT COMPENSATION AND ECONOMIC RECOVERY COMPENSATION BENEFITS UNDER SECTION 176.101, SUBDIVISIONS 3A TO 3U BE APPROXIMATELY EQUAL TO THE TOTAL AGGREGATE AMOUNT PAYABLE FOR PERMANENT PARTIAL DISABILITIES UNDER SECTION 176.101, SUBDIVISION 3, PROVIDED, HOWEVER, THAT AWARDS FOR SPECIFIC INJURIES UNDER THE PROPOSED SCHEDULE NEED NOT BE THE SAME AS THEY WERE FOR THE SAME INJURIES UNDER THE SCHEDULE PURSUANT TO SECTION 176.101, SUBDIVISION 3. THE SCHEDULE SHALL BE DETERMINED BY SOUND ACTUARIAL EVALUATION AND SHALL BE BASED ON THE BENEFIT LEVEL WHICH EXISTS ON JANUARY 1, 1983.)

((B) THE COMMISSIONER SHALL BY RULEMAKING ADOPT PROCEDURES SETTING FORTH RULES FOR THE EVALUATION AND RATING OF FUNCTIONAL DISABILITY AND THE SCHEDULE FOR PERMANENT PARTIAL DISABILITY AND TO DETERMINE THE PERCENTAGE OF LOSS OF FUNCTION OF A PART OF THE BODY BASED ON THE BODY AS A WHOLE, INCLUDING INTERNAL ORGANS, DESCRIBED IN SECTION 176.101, SUBDIVISION 3, AND ANY OTHER BODY PART NOT LISTED IN SECTION 176.101, SUBDIVISION 3, WHICH THE COMMISSIONER DEEMS APPROPRIATE.)

(EMERGENCY RULES SHALL BE ADOPTED FOR THIS PURPOSE NOT LATER THAN JANUARY 1, 1984. PRIOR TO THE ADOPTION OF THESE RULES, AT LEAST ONE PUBLIC HEARING SHALL BE HELD BY THE COMMISSIONER, IN ADDITION TO THE REQUIREMENTS OF SECTIONS 14.29 TO 14.36. NOTWITHSTANDING SECTIONS 14.29 TO 14.36, THE EMERGENCY RULES ADOPTED UNDER THIS SUBDIVISION SHALL BE EFFECTIVE UNTIL SUPERSEDED BY PERMANENT RULES. THE RULES SHALL PROMOTE OBJECTIVITY AND CONSISTENCY IN THE EVALUATION OF PERMANENT FUNCTIONAL IMPAIRMENT DUE TO PERSONAL INJURY AND IN THE ASSIGNMENT OF A NUMERICAL RATING TO THE FUNCTIONAL IMPAIRMENT.)

(PRIOR TO ADOPTION OF EMERGENCY RULES THE COMMISSIONER SHALL CONDUCT AN ANALYSIS OF THE CURRENT PERMANENT PARTIAL DISABILITY SCHEDULE FOR THE PURPOSE OF DETERMINING THE NUMBER AND DISTRIBUTION OF PERMANENT PARTIAL DISABILITIES AND THE AVERAGE COMPENSATION FOR VARIOUS PERMANENT PARTIAL DISABILITIES. THE COMMISSIONER SHALL CONSIDER SETTING THE COMPENSATION UNDER THE PROPOSED SCHEDULE FOR THE MOST SERIOUS CONDITIONS HIGHER IN COMPARISON TO THE CURRENT SCHEDULE AND SHALL CONSIDER DECREASING AWARDS FOR MINOR CONDITIONS IN COMPARISON TO THE CURRENT SCHEDULE.)

(THE COMMISSIONER MAY CONSIDER, AMONG OTHER FACTORS, AND SHALL NOT BE LIMITED TO THE FOLLOWING FACTORS IN DEVELOPING RULES FOR THE EVALUATION AND RATING OF FUNCTIONAL DISABILITY AND THE SCHEDULE FOR PERMANENT PARTIAL DISABILITY BENEFITS:)

((1) THE WORKABILITY AND SIMPLICITY OF THE PROCEDURES WITH RESPECT TO THE EVALUATION OF FUNCTIONAL DISABILITY ;)

((2) THE CONSISTENCY OF THE PROCEDURES WITH ACCEPTED MEDICAL STANDARDS;)

((3) RULES, GUIDELINES, AND SCHEDULES THAT EXIST IN OTHER STATES THAT ARE RELATED TO THE EVALUATION OF PERMANENT PARTIAL DISABILITY OR TO A SCHEDULE OF BENEFITS FOR FUNCTIONAL DISABILITY PROVIDED THAT THE COMMISSIONER IS NOT BOUND BY THE DEGREE OF DISABILITY IN THESE SOURCES BUT SHALL ADJUST THE RELATIVE DEGREE OF DISABILITY TO CONFORM TO THE EXPRESSED INTENT OF CLAUSE (A);)

((4) RULES, GUIDELINES, AND SCHEDULES THAT HAVE BEEN DEVELOPED BY ASSOCIATIONS OF HEALTH CARE PROVIDERS OR ORGANIZATIONS PROVIDED THAT THE COMMISSIONER IS NOT BOUND BY THE DEGREE OF DISABILITY IN THESE SOURCES BUT SHALL ADJUST THE RELATIVE DEGREE OF DISABILITY TO CONFORM TO THE EXPRESSED INTENT OF CLAUSE (A);)

((5) THE EFFECT THE RULES MAY HAVE ON REDUCING LITIGATION;)

((6) THE TREATMENT OF PREEXISTING DISABILITIES WITH RESPECT TO THE EVALUATION OF PERMANENT FUNCTIONAL DISABILITY PROVIDED THAT ANY PREEXISTING DISABILITIES MUST BE OBJECTIVELY DETERMINED BY MEDICAL EVIDENCE; AND)

((7) SYMPTOMATOLOGY AND LOSS OF FUNCTION AND USE OF THE INJURED MEMBER.)

(THE FACTORS IN PARAGRAPHS (1) TO (7) SHALL NOT BE USED IN ANY INDIVIDUAL OR SPECIFIC WORKERS' COMPENSATION CLAIM UNDER THIS CHAPTER BUT SHALL BE USED ONLY IN THE ADOPTION OF RULES PURSUANT TO THIS SECTION.)

(NOTHING LISTED IN PARAGRAPHS (1) TO (7) SHALL BE USED TO DISPUTE OR CHALLENGE A DISABILITY RATING GIVEN TO A PART OF THE BODY SO LONG AS THE WHOLE SCHEDULE CONFORMS WITH THE EXPRESSED INTENT OF CLAUSE (A).)

((C)) If an employee suffers a permanent functional disability of more than one body part due to a personal injury incurred in a single occurrence, the percent of the whole body which is permanently partially disabled shall be determined by the following formula so as to ensure that the percentage for all functional disability combined does not exceed the total for the whole body :

$$A + B (1 - A)$$

where: A is the greater percentage whole body loss of the first body part; and B is the lesser percentage whole body loss otherwise payable for the second body part. $A + B (1-A)$ is equivalent to $A + B - AB$.

For permanent partial disabilities to three body parts due to a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A equals the result obtained from application of the formula to the first two body parts and B equals the percentage for the third body part. For permanent partial disability to four or more body parts incurred as described above, A equals the result obtained from the prior application of the formula, and B equals the percentage for the fourth body part or more in arithmetic progressions.

Sec. 26. Minnesota Statutes 1984, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse weekly workers' compensation benefits at 50 percent of the (DAILY) *weekly* wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

Sec. 27. Minnesota Statutes 1984, section 176.111, subdivision 12, is amended to read:

Subd. 12. [ORPHANS.] If the deceased employee leaves a dependent orphan, there shall be paid 55 percent of the (DAILY) *weekly* wage at the time of the injury of the deceased, for two or more orphans there shall be paid $66 \frac{2}{3}$ percent of the wages.

Sec. 28. Minnesota Statutes 1984, section 176.111, subdivision 15, is amended to read:

Subd. 15. [REMOTE DEPENDENTS.] If the deceased employee leave no widow or child or husband or parent entitled to any payment under this chapter, but leaves a grandparent, grandchild, brother, sister, mother-in-law, or father-in-law wholly dependent on him for support, there shall be paid to such dependent, if but one, 30 percent of the (DAILY) *weekly* wage at the time of injury of the deceased, or if more than one, 35 percent of the (DAILY) *weekly* wage at the time of the injury of the deceased, divided among them share and share alike.

Sec. 29. Minnesota Statutes 1984, section 176.111, subdivision 20, is amended to read:

Subd. 20. [ACTUAL DEPENDENTS, COMPENSATION.] Actual dependents are entitled to take compensation in the order named in subdivision 3 during dependency until 66 2/3 percent of the (DAILY) *weekly* wage of the deceased at the time of injury is exhausted. The total weekly compensation to be paid to full actual dependents of a deceased employee shall not exceed in the aggregate an amount equal to the maximum weekly compensation for a temporary total disability.

Sec. 30. Minnesota Statutes 1984, section 176.129, is amended by adding a subdivision to read:

Subd. 4b. [STATE MUTUAL INSURANCE COMPANY; CONTRIBUTION.] Beginning January 30, 1987, and every January 30 thereafter, the state compensation insurance fund, established pursuant to chapter 176A, shall pay a management assessment equal to two percent of its gross premiums for the previous calendar year into the special compensation fund. The management assessment shall be deemed a "tax based on premiums" for the purposes of Minnesota Statutes 1984, section 290.06, subdivision 3f, clause (6).

Sec. 31. Minnesota Statutes 1984, section 176.129, subdivision 8, is amended to read:

Subd. 8. [COMMISSIONER AS ADMINISTRATOR.] The commissioner is the administrator of the special compensation fund. The special fund shall be designated a party in an action regarding any right, obligation, and liability of the special fund. The state treasurer, as custodian, does not have standing in an action determining any right, obligation, or liability of the special fund. *As requested by the commissioner, the attorney general shall represent the special fund in all legal matters in which the special fund has an interest. The commissioner may designate one or more division employees to appear on behalf of the special fund in proceedings under this chapter. The division employees so designated need not be attorneys-at-law.*

Sec. 32. Minnesota Statutes 1984, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job (RETRAINING) *training* program pursuant to an approved *rehabilitation plan* under section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on the job (RETRAINING) *training* program, the on the job training employer shall pay the medical expenses and compensation required by this chapter, and shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury. The employer, at the time of the personal injury for which the

employee has been (CERTIFIED) *approved* for (RETRAINING) *on the job training*, is liable for the portion of the disability that is attributable to that injury.

Sec. 33. Minnesota Statutes 1984, section 176.131, subdivision 3, is amended to read:

Subd. 3. To entitle the employer to secure reimbursement from the special compensation fund, the following provisions must be complied with:

(a) Provisions of section 176.181, subdivisions 1 and 2.

(b) The employee with a pre-existing physical impairment must have been registered with the commissioner prior to the employee's personal injury (OR WITHIN 180 DAYS AFTER NOTICE OF THE EMPLOYEE'S PERSONAL INJURY IS RECEIVED BY THE EMPLOYER. REGISTRATION SUBSEQUENT TO THE INJURY SHALL BE BASED ON A MEDICAL REPORT OR RECORD MADE PRIOR TO THE INJURY INDICATING THE PRE-EXISTING PHYSICAL IMPAIRMENT).

Sec. 34. Minnesota Statutes 1984, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to the effective date of clause (b) for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the total disablement. Regardless of the number of weeks of total disability, no totally disabled person is ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, except as provided by clause (b) or (c), provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after the effective date of this clause is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

(c) *No employee shall be eligible to receive supplementary benefits after October 1, 1986, unless the employee has been*

eligible and receiving such supplementary benefits prior to that date.

Sec. 35. Minnesota Statutes 1984, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of the employer's inability or refusal seasonably to do so the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability. *Except as provided in paragraph (b)*, orders of the commissioner with respect to this subdivision may be reviewed by the medical services review board pursuant to section 176.103. Orders of the medical services review board with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party pursuant to section 176.103. Orders of the court of appeals may be reviewed by writ of certiorari to the supreme court.

(b) The commissioner has authority to make determinations regarding medical causation and regarding the question whether the medical condition, which required the furnished treatment or supplies, is a consequence of the injury. Objections to any order of the commissioner with respect to this paragraph shall be referred to the chief administrative law judge for a de novo hearing before a compensation judge, with a right to review by the workers' compensation court of appeals, as provided in this chapter.

Sec. 36. Minnesota Statutes 1984, section 176.135, subdivision 1a, is amended to read:

Subd. 1a. [NON-EMERGENCY SURGERY; SECOND SURGICAL OPINION.] The employer is required to furnish surgical treatment pursuant to subdivision 1 only after the

employee has obtained two surgical opinions concerning whether the surgery is reasonably required to cure and relieve the effects of the personal injury or occupational disease. If at least one of the opinions affirms that the surgery is reasonably required, the employee may choose to undergo the surgery (AT THE EMPLOYER'S EXPENSE). *The employer is required to pay the reasonable value of the surgery unless the commissioner determines that the surgery is not reasonably required.* A second surgical opinion is not required in cases of emergency surgery or when the employer and employee agree that the opinion is not necessary.

Sec. 37. Minnesota Statutes 1985 Supplement, section 176.138, is amended to read:

176.138 [MEDICAL DATA; ACCESS.]

Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. This section does not preclude the release of medical data under section 175.10 or 176.231, subdivision 9. Requests for pertinent data shall be made in writing to the person or organization that collected or currently possesses the data. The data shall be provided by the collector or possessor within seven working days of receiving the request. In all cases of a request for the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made. This data shall be treated as private data by the party who requests or receives the data and the party receiving the data shall provide the employee or the employee's attorney (SHALL BE PROVIDED) with a copy of all data requested by the requester.

Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not release the data in a timely manner. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor. This section applies only to written medical data which exists at the time the request is made.

Sec. 38. Minnesota Statutes 1984, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit himself to examination by the employer's

physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. The employee is entitled upon request to have his own physician present at any such examination. Each party shall defray the cost of his own physician. Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury, shall be made available, upon request and without charge, to the injured employee or his representative. *An employer or insurer who receives notice of a potential proceeding, pursuant to section 176.271, subdivision 2, or is served with a petition pursuant to section 176.271, subdivision 1, or 176.291, shall immediately schedule any necessary examinations of the employee, if the examinations by the employer's physician or health care provider are necessary for the evaluation of the claim. The examinations shall be concluded and the report of any examination, prepared in compliance with Minnesota Rules, part 1415.2900, subpart 3, item D, shall be served and filed within 90 days of service of the notice required by section 176.271, subdivision 2.*

Where the adverse examination is canceled or the report cannot be prepared because of actions of the employee, the 90-day period shall not continue to run and, on motion, the claim petition may be stricken from active consideration. The claim petition may be reinstated or a new claim petition filed when the employee corrects the actions that caused the delay. The 90-day period for filing the medical report, as required by this subdivision, shall begin to run when the claim petition is filed or reinstated. In such cases, settlement judges shall schedule and conclude any settlement conference, pursuant to section 176.305, subdivision 1, within 100 days of the reinstatement or filing of the claim petition. Where the special compensation fund is a party to a proceeding, the 90-day period shall not commence for the special compensation fund until it receives notice that it is being named or joined as a party.

In cases involving occupational disease, the commissioner may extend the time for completing the adverse examination and filing the report but only if the employer or insurer establishes (1) that the extension is not for the purposes of delay, (2) that the employer or insurer has made a good faith effort to comply with this subdivision, and (3) that the extension is necessary because of the limited number of physicians available with expertise in the particular disease. Any report that does not comply with the provisions of this section shall not be accepted for filing and no evidence relating to the examination or report will be received or considered by the commissioner, a compensation judge, or the workers' compensation court of appeals in determining any issues in the case.

Sec. 39. Minnesota Statutes 1984, section 176.155, subdivision 5, is amended to read:

Subd. 5. [TESTIMONY OF HEALTH CARE PROVIDER.] Any physician or other health care provider designated by the commissioner, compensation judge, or workers' compensation court of appeals or whose services are furnished or paid for by the employer, who treats, examines, or is present at any examination, of an injured employee, may be required to testify as to any knowledge acquired by the physician or health care provider in the course of the treatment or examination relative to the injury or disability resulting from the injury only *in cases involving occupational disease, cardiopulmonary injuries or diseases, injuries resulting from cumulative trauma, issues of apportionment of liability, and mental disorders, or upon an order of the chief administrative law judge, and then only* if the commissioner or a compensation judge makes a written finding that the appearance of the physician or health care provider is crucial to the accurate determination of the employee's disability. In all other cases all evidence related to health care must be submitted by written report as prescribed by the chief administrative law judge. A party may cross-examine by deposition a physician or health care provider who has examined or treated the employee. If a physician or health care provider is not available for cross-examination prior to the hearing and the physician's or health care provider's written report is submitted at the hearing, the compensation judge shall, upon request of the adverse party, require the physician or health care provider to testify at the hearing for the purpose of being cross-examined by the adverse party. All written evidence relating to health care must be submitted prior to or at the time of the hearing and no evidence shall be considered which was submitted after the hearing unless the compensation judge orders otherwise, *and, in no case later than 30 days following the final hearing date. Existing medical reports must be submitted with a claim petition or answer as provided in sections 176.291 and 176.321. All reports shall substantially conform to rules prescribed by the commissioner and the chief administrative law judge.*

Sec. 40. Minnesota Statutes 1984, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or the employee's survivors, and received in good faith by the employee or the employee's survivors shall

be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a *full credit* against future *lump sum* benefit entitlement (; PROVIDED, HOWEVER, THAT) and as a *partial credit* against future *weekly benefits*. The credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits (OR), death benefits, or *weekly payments of economic recovery or impairment compensation* shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 41. Minnesota Statutes 1984, section 176.225, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] Upon reasonable notice and hearing or opportunity to be heard, the division, a compensation judge, or upon appeal, the workers' compensation court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

(a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,

(b) unreasonably or vexatiously delayed payment; or,

(c) neglected or refused to pay compensation; or,

(d) intentionally underpaid compensation; or,

(e) *unreasonably and vexatiously discontinued compensation in violation of section 176.242.*

Sec. 42. Minnesota Statutes 1984, section 176.231, subdivision 1, is amended to read:

Subdivision 1. [TIME LIMITATION.] Where death or serious injury occurs to an employee during the course of employment, the employer shall report the injury or death to the commissioner and insurer within 48 hours after its occurrence. Where any other injury occurs which wholly or partly incapacitates the employee from performing labor or service for more than three calendar days (OR LONGER), the employer shall report the injury to the insurer on a form prescribed by the commissioner within ten days from its occurrence. An insurer and self-insured employer shall report the injury to the commissioner no later than 14 days from its occurrence. Where an

injury has once been reported but subsequently death ensues, the employer shall report the death to the commissioner and insurer within 48 hours after the employer receives notice of this fact.

Sec. 43. Minnesota Statutes 1984, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] If an employer, physician, chiropractor, or other health provider fails to file with the commissioner any report required by this section in the manner and within the time limitations prescribed, or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each failure.

(THE ATTORNEY GENERAL SHALL SUE IN A CIVIL ACTION TO COLLECT THIS PENALTY UPON NOTIFICATION OF THE MATTER BY THE COMMISSIONER. THE COMMISSIONER SHALL CERTIFY TO THE ATTORNEY GENERAL EACH FAILURE TO REPORT IMMEDIATELY UPON ITS OCCURRENCE.) *The imposition of a penalty may be appealed to a compensation judge within 30 days of notice of the penalty.*

Penalties collected by the state under this subdivision shall be paid into the (STATE TREASURY) *special compensation fund.*

Sec. 44. Minnesota Statutes 1984, section 176.242, subdivision 2, is amended to read:

Subd. 2. [CONFERENCE, REQUEST.] (a) The employee has ten calendar days from the date the notice was filed with the commissioner to request that the commissioner schedule an administrative conference to determine the appropriateness of the proposed discontinuance. The employer or insurer may request an administrative conference under this section at any time whether or not a notice of intent to discontinue is filed. If a notice of intent to discontinue has been filed, the commissioner shall schedule an administrative conference within ten calendar days after the commissioner receives timely notice of the request for an administrative conference. If no notice of intent to discontinue has been filed and the employer or insurer has requested a conference, the commissioner shall schedule an administrative conference to be held within 30 calendar days after the commissioner receives the employer's or insurer's request for a conference.

(b) If the employee does not, in a timely manner, request that the commissioner schedule an administrative conference, or fails to appear, without good cause, at a scheduled conference, compensation may be discontinued, subject to the employee's right under section 176.241.

(c) An employee, employer, or insurer may request a continuance of a scheduled administrative conference. If the commissioner determines that good cause exists for granting a continuance, the commissioner may grant the continuance which shall not exceed ten calendar days unless the parties agree to a longer continuance. If the employee is granted a continuance, compensation need not be paid during the period of continuance but shall recommence upon the date of the conference unless the commissioner orders otherwise. If the employer or insurer is granted a continuance, compensation shall continue to be paid during the continuance. There is no limit to the number of continuances the commissioner may grant provided that the payment of compensation is subject to this clause during the continuance.

(d) If the insurer's stated reason for the discontinuance is that the employee has reached maximum medical improvement, the employee may request a continuance under paragraph (c) for the purpose of obtaining a medical report. The continuance under this paragraph may at the discretion of the commissioner exceed ten days and benefits shall not cease until the expiration of the 90-day period following maximum medical improvement.

((D)) (e) The purpose of an administrative conference is to determine whether reasonable grounds exist for a discontinuance.

Sec. 45. Minnesota Statutes 1984, section 176.242, is amended by adding a subdivision to read :

Subd. 12. [ADMINISTRATIVE CONFERENCE OUTSIDE OF THE METROPOLITAN AREA; FUNDING.] (a) To insure that employees and employers outside of the metropolitan area, as defined in Minnesota Statutes 1984, section 473.121, subdivision 2, have convenient access to administrative conferences pursuant to sections 176.102, 176.103, 176.242, 176.2421, and 176.243, the commissioner shall establish a mechanism for conducting such conferences outside of the metropolitan area. The commissioner shall report to the legislature in January 1988 concerning implementation of this subdivision.

(b) To implement clause (a), the commissioner may expend annually an amount equal to the amount deposited on the previous January 30 into the special compensation fund pursuant to section 176.129, subdivision 4b, from the special compensation fund. If, in implementing clause (a), the commissioner does not exhaust the funds that were deposited into the special compensation fund pursuant to section 176.129, subdivision 4b, the commissioner may spend the remaining funds to carry out the responsibilities of the mediation program within the workers' compensation division of the department of labor and industry. If any funds are remaining, the commissioner may use the money to carry out such responsibilities of the department as the commissioner deems necessary.

Sec. 46. Minnesota Statutes 1984, section 176.243, subdivision 3, is amended to read:

Subd. 3. [EMPLOYEE REQUEST FOR ADMINISTRATIVE CONFERENCE.] If the employee objects to the action of the insurer regarding payment of compensation upon the cessation of work by the employee or regarding the payment of temporary partial disability benefits, the employee may request an administrative conference with the commissioner to resolve disputed issues. A request for an administrative conference shall be made within ten calendar days after (SERVICE) *filing* of the notice (ON THE EMPLOYEE) *with the department*. If the employee requests an administrative conference the commissioner shall schedule a conference to be held within 14 calendar days after the commissioner receives the request.

Sec. 47. [176.244] [ADMINISTRATIVE CONFERENCE SCHEDULED BY COMMISSIONER, FILING.]

(a) *The commissioner may schedule an administrative conference under sections 176.242, 176.2421, or 176.243 if it appears to the commissioner that the employer or insurer has not properly or timely filed or served a notice required by those sections and the employee requests the conference within 40 days of the date the employer or insurer should have filed the notice. The commissioner may, if appropriate, order that compensation be paid through the date of the conference where compensation is discontinued.*

(b) *Where an employer or insurer is required to file a notice under section 176.242, 176.2421, or 176.243, service on the employee by mail or in person must occur on before the date of filing.*

Sec. 48. Minnesota Statutes 1984, section 176.271, is amended to read:

176.271 [INITIATION OF PROCEEDINGS.]

Subdivision 1. Unless otherwise provided by this chapter or by the commissioner of labor and industry, all proceedings before the division are initiated by the filing of a written petition on a prescribed form with the commissioner of labor and industry at his principal office. *All petitions shall include the information required by section 176.291.*

Subd. 2. Before a proceeding is initiated pursuant to subdivision 1 the party contemplating initiation of a proceeding shall notify the party against whom the proceeding will be directed including an employer who has an interest in the matter and shall state the relief that will be sought in the proceeding. *The notice shall also be served on known third parties, other than the*

workers' compensation insurer, that have paid monetary benefits or treatment expenses to the employee or on the employee's behalf. The notice shall also include all medical reports not previously submitted to the employer or insurer, copies of all items in dispute, and the names and addresses of all witnesses that the party intends to call in support of the petition. The medical reports shall substantially conform to the manner prescribed by the commissioner and the chief administrative law judge. If the party to whom the notice is directed does not respond to the satisfaction of the party supplying the notice within (15) 30 days of the receipt of the notice a proceeding may be initiated pursuant to subdivision 1. This notification is not required in cases where compliance with this subdivision would result in the claim being barred by section 176.151 or other sections or a proceeding under section 176.103, 176.242 or 176.243 or other proceeding for which the commissioner determines this notice is not necessary.

Sec. 49. Minnesota Statutes 1984, section 176.291, is amended to read:

176.291 [DISPUTES AND DEFAULTS; PETITIONS; PROCEDURE.]

Where there is a dispute as to a question of law or fact in connection with a claim for compensation, or where there has been a default in the payment of compensation for a period of ten days, a party may present a verified petition to the commissioner stating the matter in dispute or the fact of default.

The petition shall also state:

- (1) names and residence of parties;
- (2) facts relating to the employment at the time of injury, including amount of wages received;
- (3) extent and character of injury;
- (4) notice to or knowledge by employer of injury;
- (5) *copies of written medical reports and other information necessary to support the claim;*
- (6) *names and addresses of all witnesses intended to be called in support of the claim;*
- (7) *the desired location of any hearing and estimated time needed to present evidence at the hearing;*
- (8) *any requests for a prehearing or settlement conference;*

(9) facts which the commissioner by rule requires; and,

((6)) (10) such other facts as are necessary for the information of the commissioner, a compensation judge or the workers' compensation court of appeals.

If the answer to the claim petition raises issues not anticipated at the time of the service of the claim petition, the claim petition may be amended within 15 days of receipt of the answer. Any further amendment shall be permitted only upon an order of a compensation judge.

Sec. 50. Minnesota Statutes 1984, section 176.305, subdivision 1, is amended to read:

Subdivision 1. [HEARINGS ON PETITIONS.] The petitioner shall serve a copy of the petition on each adverse party personally or by first class mail. The original petition, *together with the copy of the notice of claim required by section 176.271, subdivision 2*, shall then be filed with the commissioner together with an appropriate affidavit of service. When any petition has been filed with the workers' compensation division, the commissioner shall, within ten days, refer the matter presented by the petition to a settlement judge. The settlement judge shall schedule a settlement conference if appropriate *and conclude the conference within 60 days, provided that if evidence is produced by a party for the first time at the conference or within five days prior to the scheduled conference, or where a potential intervenor is discovered at the time of, or immediately prior to, the settlement conference, the settlement judge may continue the conference for up to 14 calendar days. Conferences shall be scheduled in all cases where the petition followed a denial of primary liability.* If a settlement conference is not appropriate, or if such a conference or conferences do not result in progress toward a settlement, the settlement judge shall certify the matter for a hearing before a compensation judge and shall refer the matter to the chief administrative law judge to be heard by a compensation judge.

Sec. 51. Minnesota Statutes 1984, section 176.305, is amended by adding a subdivision to read:

Subd. 1a. [IMPROPER PETITION.] *The commissioner may reject any claim petition that does not meet the requirements of section 176.291, within 30 days of filing. The commissioner shall notify the petitioner, specifying the reasons for the rejection, and shall serve a copy on all parties who were served with the petition. The claimant may serve and file a new petition. If the original petition was timely filed under section 176.151, but the petition is rejected after that time has expired, a new petition may be filed within ten days of service of the notice of the rejection.*

Sec. 52. Minnesota Statutes 1984, section 176.306, is amended by adding a subdivision to read:

Subd. 3. The chief administrative law judge or the compensation judge assigned to the case may schedule a pretrial or settlement conference, whether or not a party requests such a conference.

Sec. 53. Minnesota Statutes 1984, section 176.321, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The answer shall admit, deny, or affirmatively defend against the substantial averments of the petition, and shall state the contention of the adverse party with reference to the matter in dispute.

Each fact alleged by the petition or answer and not specifically denied by the answer or reply is deemed admitted, but the failure to deny such a fact does not preclude the workers' compensation court of appeals, commissioner, or compensation judge from requiring proof of the fact.

The answer shall include the names and addresses of all witnesses; the date, time, and place of scheduled adverse examinations; the desired location for a hearing; any request for a pre-hearing or settlement conference, and the estimated time needed to present evidence at a hearing. Answers may be amended at any time up to 50 days after the filing of the claim petition. After that time, an answer may be amended only on order of a compensation judge.

Sec. 54. Minnesota Statutes 1984, section 176.321, subdivision 3, is amended to read:

Subd. 3. [EXTENSION OF TIME IN WHICH TO FILE ANSWER.] Upon showing of cause, the commissioner of the department of labor and industry may extend the time in which to file an answer or reply for not more than 30 additional days. The time to file an answer or reply may also be extended upon agreement of the petitioner. If an answer is not filed and there has been no extension by order of the commissioner or by agreement, the failure to file an answer shall be treated as a default. *Any case certified by the commissioner, which does not include an answer or written extension order or agreement shall be set for a hearing at the first available date.*

Sec. 55. Minnesota Statutes 1984, section 176.341, is amended by adding a subdivision to read:

Subd. 4. [CONTINUANCES.] Only the chief administrative law judge or designee, on a showing of good cause, may grant a continuance provided that no continuance may be granted for

longer than 120 days. Any request for a continuance must be signed by both the party and the attorney who are seeking the continuance.

Sec. 56. Minnesota Statutes 1984, section 176.341, is amended by adding a subdivision to read :

Subd. 5. [EVIDENCE.] All evidence must be submitted at the time of the hearing; however, upon a showing of surprise at the hearing, a party may submit additional evidence provided that all evidence must be submitted within 30 days following the scheduled hearing date. This subdivision applies to all evidence, including evidence related to the issue of attorney's fees.

Sec. 57. Minnesota Statutes 1984, section 176.351, subdivision 2, is amended to read :

Subd. 2. [SUBPOENAS.] Upon his own initiative, or upon written request of an interested party, the commissioner or compensation judge before whom a hearing is held may issue a subpoena for the attendance of a witness or the production of such books, papers, records and documents as are material in the cause and are designated in the subpoena. The commissioner may also issue a subpoena for the attendance of a witness or the production of such books, papers, records, and documents as are material in the cause pending and are designated in the subpoena. The commissioner may also issue a subpoena for the attendance of a witness or the production of such books, papers, records, and documents as are material to the issue and designated in the subpoena in any claim where the employer or insurer has filed a denial of benefits without regard to whether a claim petition has been filed.

Sec. 58. Minnesota Statutes 1984, section 176.361, subdivision 1, is amended to read :

Subdivision 1. [RIGHT TO INTERVENE.] A person who has an interest in any matter before the workers' compensation court of appeals, or commissioner, or compensation judge such that the person may either gain or lose by an order or decision may intervene in the proceeding by filing an application in writing stating the facts which show the interest. The commissioner is considered to have an interest and shall be permitted to intervene at the appellate level when a party relies in its claim or defense upon any statute or rule administered by the commissioner, or upon any rule, order, requirement, or agreement issued or made under the statute or rule.

The commissioner may adopt rules, not inconsistent with this section to govern intervention. The workers' compensation court of appeals shall adopt rules to govern the procedure for intervention in matters before it.

If the department of human services or the department of economic security seeks to intervene in any matter before the division, a compensation judge or the workers' compensation court of appeals, a nonattorney employee of the department, acting at the direction of the staff of the attorney general, may prepare, sign, serve and file motions for intervention and related documents (AND), appear at prehearing conferences, and participate in matters before a compensation judge or the workers' compensation court of appeals. Any other interested party may intervene using a nonattorney and may participate in any proceeding to the same extent an attorney could. This activity shall not be considered to be the unauthorized practice of law. An intervenor represented by a nonattorney shall be deemed to be represented by an attorney for the purposes of the conclusive presumption of section 176.521, subdivision 2.

Subdivisions 3 to 6 do not apply to matters pending in the mediation or rehabilitation and medical services sections.

Sec. 59. Minnesota Statutes 1984, section 176.361, subdivision 2, is amended to read:

Subd. 2. [WRITTEN APPLICATION.] A person desiring to intervene in a workers' compensation case as a party, including but not limited to a health care provider who has rendered services to an employee or an insurer who has paid benefits under section 176.191, shall submit a timely written application to intervene to the compensation or settlement judge to whom the case has been assigned. If the case has not yet been assigned, the application shall be made to the calendar judge if the case has been certified to the office, or to the division if the case has not been certified to the office or to the mediation or rehabilitation and medical services section if the matter is pending in that section.

(a) The application must be served on all parties either personally, by first class mail, or registered mail, return receipt requested. An application to intervene must be served and filed within (60) 30 days after a person has received notice that a (PETITION) claim has been filed (AS PROVIDED IN THIS SECTION) or a request for mediation made. An untimely (MOTION) application is subject to denial under subdivision 7.

(b) In any other situation, timeliness will be determined by the judge or awarding authority in each case based on circumstances at the time of filing. The application must show how the (MOVING PARTY'S) applicant's legal rights, duties, or privileges may be determined or affected by the case; state the grounds and purposes for which intervention is sought; and indicate the (MOVING PARTY'S) statutory right to intervene. The application must be accompanied by the following, if applicable, except that if the action is pending in the mediation or rehabilitation and medical services section, clause (6) is not required

and the information listed in clauses (1) to (5) may be brought to the conference rather than attached to the application:

(1) an itemization of disability payments showing the period during which the payments were or are being made; the weekly or monthly rate of the payments; and the amount of reimbursement claimed;

(2) a summary of the medical or treatment payments, or rehabilitation services provided by the division of vocational rehabilitation, broken down by creditor, showing the total bill submitted, the period of treatment or rehabilitation covered by that bill, the amount of payment on that bill, and to whom the payment was made;

(3) copies of all medical or treatment bills on which some payment was made;

(4) copies of the work sheets or other information stating how the payments on medical or treatment bills were calculated;

(5) a copy of the relevant policy or contract provisions upon which the claim for reimbursement is based;

(6) a proposed order allowing intervention with sufficient copies to serve on all parties;

(7) the name and telephone number of the person representing the intervenor who has authority to reach a settlement of the issues in dispute;

(8) proof of service or copy of the registered mail receipt;

(9) at the option of the intervenor, a proposed stipulation which states that all of the payments for which reimbursement is claimed are related to the injury or condition in dispute in the case and that, if the petitioner is successful in proving the compensability of the claim, it is agreed that the sum be reimbursed to the intervenor; and

(10) if represented by an attorney, the name, address, telephone number, and Minnesota Supreme Court license number of the attorney.

Sec. 60. Minnesota Statutes 1984, section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all competent, relevant evidence produced

at the hearing. All questions of fact and law submitted to a compensation judge at the hearing shall be disposed of and the judge's decision shall be filed with the commissioner within 60 days after the submission, unless sickness or casualty prevents a timely filing, or the time is extended by written consent of the parties, or the chief administrative law judge extends the time for good cause. The compensation judge's decision shall include a determination of all contested issues of fact and law and an award or disallowance of compensation or other order as the pleadings, evidence, this chapter and rule require. A compensation judge's decision shall include a memorandum only if necessary to delineate the reasons for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.

The compensation judge may dismiss, without prejudice, any case where the petitioner fails to comply with the provisions of chapter 176 or any order of a compensation judge or cannot proceed to hearing on the date set. The petitioner may file and serve a new petition. If the original petition was timely filed under section 176.151, but the petition is dismissed after that time has expired, a new petition may be filed within ten days of the dismissal.

No part of the salary of a compensation judge shall be paid unless the chief administrative law judge determines that all decisions of that judge have been issued within the time limit prescribed by this section.

Sec. 61. Minnesota Statutes 1984, section 176.411, subdivision 2, is amended to read:

Subd. 2. [DEPOSITIONS.] Except where a compensation judge orders otherwise, depositions may be taken in the manner which the law provides for depositions in civil actions in district court. *All other discovery shall be conducted pursuant to the joint rules of the commissioner and chief administrative law judge, except that all discovery must be completed within 60 days following the filing of the claim petition, provided that this subdivision does not govern adverse examinations and depositions conducted pursuant to section 176.155.*

Sec. 62. Minnesota Statutes 1984, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:

(1) *grant an oral argument based on the record before the compensation judge;*

(2) *examine the record;*

(2) (3) *substitute for the findings of fact made by the compensation judge findings based on the total evidence; (AND,)*

(3) (4) *sustain, reverse, make, or modify an award or disallowance of compensation or other order based on the facts (AND), findings, and law; and*

(5) *remand or make other appropriate order.*

Sec. 63. Minnesota Statutes 1984, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except when a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or if as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five working days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief administrative law judge for assignment to a compensation judge, who shall make findings of fact, conclusions of law, and an order of award or disallowance of compensation or other order based on the pleadings and the evidence produced and as required by the provisions of this chapter or rules adopted under it.

"Cause" as used in this section is limited to the following grounds:

(1) *mutual mistake of fact not discoverable at the time of the award;*

(2) *newly discovered evidence not discoverable by the time of the award;*

(3) *fraud; or*

(4) *substantial and unanticipated change in medical condition since the time of the award.*

Sec. 64. Minnesota Statutes 1984, section 176.521, subdivision 3, is amended to read:

Subd. 3. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding the provisions of section 176.521, subdivision 1, 2, or 2a, or any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement (AND AFTER A HEARING ON THE PETITION), the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. In (THOSE) *appropriate* cases, the workers' compensation court of appeals (SHALL) *may* refer the matter to the chief administrative law judge for assignment to a compensation judge for hearing.

Sec. 65. Minnesota Statutes 1984, section 176.603, is amended to read:

176.603 [COST OF ADMINISTERING CHAPTER, PAYMENT.]

The annual cost to the commissioner of the department of labor and industry of administering this chapter in relation to state employees and the necessary expenses which the department of labor and industry or the attorney general incurs in investigating, *administering*, and defending a claim against the state for compensation shall be paid from (THE MONEYS BIENNIALY APPROPRIATED TO THE DEPARTMENT AND NOT FROM) the state compensation revolving fund.

Sec. 66. Minnesota Statutes 1984, section 176.611, subdivision 2, is amended to read:

Subd. 2. [(SELF-SUSTAINING) STATE DEPARTMENTS.] (EXCEPT THAT THE TRANSPORTATION DEPARTMENT) *Every department of the state, including the University of Minnesota, shall reimburse the fund for moneys paid (TO ITS EMPLOYEES OR THEIR DEPENDENTS) for the administration of its claims at such times and in such amounts as the commissioner of the department of labor and industry (ORDERS, EVERY SELF-SUSTAINING DEPARTMENT OF THE STATE SHALL PAY INTO SUCH FUND AT THE END OF EVERY FISCAL YEAR SUCH AMOUNTS AS THE COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall certify has been paid out of the fund (FOR) on its (EMPLOYEES OR THEIR DEPENDENTS) behalf. (FOR THE PURPOSES OF THIS SECTION, A "SELF-SUSTAINING DEPARTMENT" IS ONE IN WHICH THE INCOME AND REVENUE FROM ITS ACTIVITIES SUBSTANTIALLY OFFSETS ITS COST OF OPERATION.) The heads of the departments shall anticipate these payments by including them in their budgets.*

Sec. 67. Minnesota Statutes 1984, section 176.645, subdivision 2, is amended to read:

Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 shall be deferred until the first anniversary of the date of the injury, *except that for injuries occurring on or after October 1, 1985, for which benefits are payable under section 176.101, subdivision 1 or 2, the initial adjustment made pursuant to subdivision 1 shall be made on the third anniversary of the date of the injury and shall be limited to the one-year adjustment for the year preceding that anniversary.*

Sec. 68. Minnesota Statutes 1984, section 176.83, subdivision 2, is amended to read:

Subd. 2. [REHABILITATION.] Rules necessary to implement and administer section 176.102, including the establishment of qualifications necessary to be a qualified rehabilitation consultant and the requirements to be an approved registered vendor of rehabilitation services.

(IN THIS REGARD, THE COMMISSIONER SHALL IMPOSE FEES UNDER SECTION 16A.128 SUFFICIENT TO COVER THE COST OF APPROVING, REGISTERING AND MONITORING QUALIFIED REHABILITATION CONSULTANTS AND APPROVED VENDORS OF REHABILITATION SERVICES.) The rules may also provide for penalties to be imposed by the commissioner against insurers or self-insured employers who fail to provide rehabilitation consultation to employees pursuant to section 176.102.

These rules may also establish criteria for determining "reasonable moving expenses" under section 176.102.

The rules shall also establish criteria, guidelines, methods, or procedures to be met by an employer or insurer in providing the initial rehabilitation consultation required under this chapter which would permit the initial consultation to be provided by an individual other than a qualified rehabilitation consultant. In the absence of rules regarding an initial consultation this consultation shall be conducted pursuant to section 176.102.

Sec. 69. Minnesota Statutes 1984, section 176.83, subdivision 11, is amended to read:

Subd. 11. [SUITABLE GAINFUL EMPLOYMENT.] Rules establishing criteria to be used by the division, compensation judge, and workers' compensation court of appeals to determine "suitable gainful employment (" AND "INDEPENDENT CONTRACTOR)."

Sec. 70. [176.1011] [LOSS OF SMELL OR TASTE.]

For personal injuries occurring after December 31, 1983, and before November 12, 1985, the permanent partial disability rating for total loss of taste shall be three percent of the whole body and for complete and total loss of smell shall be three percent of the whole body.

Sec. 71. [176B.01] [WORKERS' COMPENSATION PERMANENT PARTIAL DISABILITY SCHEDULES.]

Subdivision 1. [PURPOSE OF SCHEDULES.] This chapter assigns percentages of disability of the whole body for permanent partial disabilities compensable under chapter 176.

Subd. 2. [INTERPRETATION OF SCHEDULES.] Only the categories in the schedule in this chapter may be used when rating the extent of a disability. Where a category represents the disabling condition, the disability determination shall not be based on the cumulation of lesser included categories. If more than one category may apply to a condition, the category most closely representing the condition shall be selected. Where more than one category is necessary to represent the disabling condition, categories shall be selected to avoid double compensation for any part of a condition. The percentages of disability to the whole body as set forth in two or more categories shall not be averaged, prorated, or otherwise deviated from, unless specifically provided in the schedule. Unless provided otherwise, where an impairment must be rated under more than one category, the ratings must be combined using the $A + B (1-A)$ formula as provided in section 176.105, subdivision 4. With respect to the musculo-skeletal schedule, the percent of whole body disability for motor or sensory loss of a member shall not exceed the percent of whole body disability for amputation of that member.

Subd. 3. [DISABILITIES NOT PART OF SCHEDULES.] A category not found within this chapter shall not be used to determine permanent partial disability.

Subd. 4. [RULES OF CONSTRUCTION.] The technical terms in this chapter are defined in either section 176B.02 or by the documents incorporated by reference in this chapter. Documents are incorporated by reference only to the extent necessary for definition or to the extent specifically referenced in a schedule. The documents incorporated by reference are as follows:

(a) Guides to the Evaluation of Permanent Impairment, published by the American Medical Association, Committee on Rating of Mental and Physical Impairment, second edition 1984. This document is also known as the A.M.A. Guides.

(b) Snellen Charts, published by American Medical Association Committee for Eye Injuries and designated Industrial Vision Test Charts. These charts are also known and referred to as A.M.A. charts.

(c) *American Medical Association Rating Reading Card of 1932, published by the American Medical Association Committee for Eye Injuries. This document is also known as the A.M.A. Card.*

(d) *S3.1-1977 Criteria for Permissible Ambient Noise during Audiometric Testing and S3.6-1969 (R1973) Specification for Audiometers, published by the American National Standard Institutes, Inc. in 1973 and 1977, respectively.*

(e) *Metropolitan Life Insurance Company Height and Weight Tables, published by the Metropolitan Life Insurance Company, 1983.*

(f) *The Revised Kenny Self-Care Evaluation: A Numerical Measure of Independence in Activities of Daily Living, published by Sister Kenny Institute, 1973.*

(g) *Dorland's Illustrated Medical Dictionary, 26th edition, published by W. B. Saunders Company, 1981. This document is also known as Dorland's.*

(h) *D.S.M. III, Diagnostic and Statistical Manual of Mental Disorders, published by American Psychiatric Association, 1980. This document is also known as D.S.M. III.*

(i) *Fractures, Charles A. Rockwood and David Green, published by Lippencott, 1975.*

(j) *Textbook on Anatomy, William Henry Hollinshead, published by Harper & Row, 1985.*

(k) *"The Estimation of Areas of Burns," in Surgery, Gynecology and Obstetrics, by Lund and Browder, pages 352-358, volume 79, published by Surgical Publishing Company of Chicago, 1944. This document is referred to as Lund and Browder.*

Sec. 72. [176B.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of this chapter the terms defined in this section have the meanings given them unless the context clearly indicates otherwise. Terms not defined in this section are defined in Dorland's or other documents incorporated by reference. If the definition in a document incorporated by reference conflicts with or differs from the definition in this chapter, the specific definitions in this chapter shall govern.

Subd. 2. [ACROMIO-CLAVICULAR GRADE 1.] "Acromio-clavicular grade 1" means an undisplaced acromio-clavicular joint.

Subd. 3. [ACROMIO-CLAVICULAR GRADE 2.] "Acromio-clavicular grade 2" means a 50 percent displacement of the clav-

icle in relationship to the acromion at the acromio-clavicular joint.

Subd. 4. [ACROMIO-CLAVICULAR GRADE 3.] “Acromio-clavicular grade 3” means a completely disrupted acromio-clavicular joint.

Subd. 5. [ACTIVITIES OF DAILY LIVING.] “Activities of daily living” means the ability to perform self cares, to perform housework and related tasks, to ride in or operate a motor vehicle, and to perform vocational tasks not requiring physical labor.

Subd. 6. [ANKYLOSIS.] “Ankylosis” means the stiffening or fixation of a joint.

Subd. 7. [ANSI.] “ANSI” means the American National Standards Institute.

Subd. 8. [BANDING.] “Banding” means a thick, rope-like cord of hypertrophic scarring resulting from burns.

Subd. 9. [CATEGORY.] “Category” means a permanent partial disability as described in this chapter and the corresponding percent of disability to the whole body for that permanent partial disability.

Subd. 10. [CHRONIC.] “Chronic” means the repeated or continuous occurrence of a specific condition or symptom.

Subd. 11. [DEMONSTRABLE DEGENERATIVE CHANGES.] “Demonstrable degenerative changes” means radiographic findings demonstrating the presence of degeneration of intervertebral disc or facet joints. Examples of demonstrable degenerative changes are disc space narrowing, small osteophytes, and facet joint hypertrophic changes.

Subd. 12. [DESIRABLE LEVEL OF WEIGHT.] “Desirable level of weight” means preferred weights in the tables created by the Metropolitan Life Insurance Company.

Subd. 13. [DISARTICULATION.] “Disarticulation” means an amputation occurring through a joint.

Subd. 14. [DISTANCE VISION.] “Distance vision” means the ability to distinguish letters at a distance of 20 feet according to the Snellen and A.M.A. Charts.

Subd. 15. [FAMILY MEMBER.] “Family member” means cohabitants and is not limited to those related by blood or marriage. In cases of institutionalization or similar nonhome environ-

ment, family member may include staff members who care for the individual on a regular basis.

Subd. 16. [FORE-QUARTER.] "*Fore-quarter*" means the amputation of the upper extremity involving the scapula, clavicle, and muscles that attach to the chest.

Subd. 17. [FUSION.] "*Fusion*" means the surgical uniting of one vertebral segment to an adjoining vertebral segment.

Subd. 18. [GASTROSTOMY.] "*Gastrostomy*" means a surgical creation of a gastric fistula through the abdominal wall for the purpose of introducing food into the stomach.

Subd. 19. [GLOSSOPHARYNGEAL.] "*Glossopharyngeal*" means the ninth cranial nerve with sensory fibers to the tongue and pharynx. It affects taste and swallowing.

Subd. 20. [GROSS MOTOR WEAKNESS.] "*Gross motor weakness*" means total or partial loss as described in section 176B.16.

Subd. 21. [HYPERTROPHIC SCAR.] "*Hypertrophic scar*" means an elevated irregularly shaped mass of scar tissue.

Subd. 22. [HYPOGLOSSAL.] "*Hypoglossal*" means the motor nerve to the tongue. It is the 12th cranial nerve and carries impulses from the brain to the tongue, including movement of muscles and secretion of glands and motor movement.

Subd. 23. [KENNY SCALE.] "*Kenny scale*" means the Kenny self-care evaluation system in *The Revised Kenny Self-Care Evaluation: A Numerical Measure of Independence of Activities of Daily Living*.

Subd. 24. [LAMINECTOMY.] "*Laminectomy*" means the removal of part or all of the lamina of one vertebral segment, usually with associated disc excision.

Subd. 25. [LETHARGY.] "*Lethargy*" means, in relation to a nervous system injury to the brain, that an individual is drowsy, but can be aroused.

Subd. 26. [MODERATE REFERRED SHOULDER AND ARM PAIN.] "*Moderate referred shoulder and arm pain*" means pain of an intensity necessitating decreased activity in order to avoid the pain. This pain is demonstrated in a dermatomal distribution into the shoulder and upper extremity.

Subd. 27. [MODERATE PARTIAL DISLOCATION.] "*Moderate partial dislocation*" means a loss of normal vertebral

alignment of up to 50 percent of the vertebral body on the adjacent vertebral body associated with vertebral fractures.

Subd. 28. [NEAR VISION.] "Near vision" means clearness of vision at the distance of 14 inches.

Subd. 29. [NONPREFERRED EXTREMITY.] "Nonpreferred extremity" means the arm or leg not used dominantly, as for example, the left hand of a right-handed writer.

Subd. 30. [OBJECTIVE CLINICAL FINDINGS.] "Objective clinical findings" as used in section 176B.07 means examination results which are reproducible and consistent. Examples of objective clinical findings are involuntary muscle spasms, consistent postural abnormalities, and changes in deep tendon reflexes.

Subd. 31. [POSTURAL ABNORMALITY.] "Postural abnormality" means a deviation from normal posture, as found on anterior/posterior or lateral X-rays, that involves the spine and pelvis or segments of the spine or pelvis, such as kyphosis, lordosis, or scoliosis.

Subd. 32. [PREFERRED EXTREMITY.] "Preferred extremity" means the dominant leg or arm, as for example, the right arm of a right-handed person.

Subd. 33. [PRESBYCUSIS.] "Presbycusis" means a decline in hearing acuity that occurs with the aging process.

Subd. 34. [PSEUDOPHAKIA.] "Pseudophakia" means that the crystalline lens of the eye has been replaced with a surgically implanted lens.

*Subd. 35. [SELF CARES.] "Self cares" means bed activities, transfers, locomotion, dressing, personal hygiene, bowel and bladder, and feeding as described in *The Revised Kenny Self-Care Evaluation: A Numerical Measure of Independence in Activities of Daily Living*, pages 10-24.*

Subd. 36. [SPINAL STENOSIS.] "Spinal stenosis" means the narrowing of the spinal canal.

Subd. 37. [SPONDYLOLISTHESIS.] "Spondylolisthesis" means the forward movement of one vertebral body of one of the lower lumbar vertebrae on the vertebrae below it or upon the sacrum.

Subd. 38. [SPONDYLOLISTHESIS GRADE 1.] "Spondylolisthesis grade 1" means forward movement from zero to 25 percent of the vertebral body.

Subd. 39. [SPONDYLOLISTHESIS GRADE 2.] "Spondylolisthesis grade 2" means forward movement from 25 to 50 percent of the vertebral body.

Subd. 40. [SPONDYLOLISTHESIS GRADE 3.] "Spondylolisthesis grade 3" means movement from 50 to 75 percent of the vertebral body.

Subd. 41. [SPONDYLOLISTHESIS GRADE 4.] "Spondylolisthesis grade 4" means forward movement from 75 to 100 percent of the vertebral body.

Subd. 42. [STUPOR.] "Stupor" means, in relation to a nervous system injury to the brain, that a strong stimulus or pain is needed to arouse consciousness or response.

Subd. 43. [TINNITUS.] "Tinnitus" means a subjective sense of noises in the head or ringing in the ear for which there is no observable external cause.

Subd. 44. [TRIGEMINAL.] "Trigeminal" means the mixed nerve with sensory fibers to the face, cornea, anterior scalp, nasal and oral cavities, tongue and supertentorial dura matter. It also has motor fibers to the muscles of mastication. It is the fifth cranial nerve.

Subd. 45. [VERTIGO.] "Vertigo" means a sensation of moving around in space or having objects move about the person. It is the result of a disturbance of the equilibratory apparatus.

Subd. 46. [VESTIBULAR.] "Vestibular" means the main division of the auditory nerve. It is the eighth cranial nerve and deals with equilibrium.

Subd. 47. [WRINKLING.] "Wrinkling" means small ridges on the skin formed by shrinking or contraction as a result of burns.

Subd. 48. [14/14.] "14/14" is a term used in the measurement of near vision. It is the clearness of vision at a distance of 14 inches. The numerator is the test distance in inches. The denominator is the distance at which the smallest letter on the A.M.A. card can be seen.

Subd. 49. [20/20 SNELLEN OR A.M.A. CHART.] "20/20 Snellen or A.M.A. Chart" refers to a chart imprinted with block letters or numbers in gradually decreasing sizes, identified according to distances at which they are ordinarily visible. It is used in testing visual acuity. The numerator is the test distance in feet. The denominator is the distance at which the smallest letter discriminated by a patient would subtend five minutes of arc.

Sec. 73. [176B.03] [EYE SCHEDULE.]

Subdivision 1. [COMPLETE LOSS OF VISION.] For complete loss of vision in both eyes, disability of the whole body is 85 percent. For complete loss of vision in one eye, disability of the whole body is 24 percent. In determining the degree of vision impairment and of whole body disability, subdivisions 2 to 6 shall be used.

Subd. 2. [EXAMINATION.] Disability shall not be determined until all medically acceptable attempts to correct the defect have been made. Prior to the final examination on which disability is to be determined, at least six months shall elapse after all visible inflammation has disappeared. In cases of disturbance of extrinsic ocular muscles, optic nerve atrophy, injury of the retina, sympathetic ophthalmia, and traumatic cataract, at least 12 months shall elapse before the final examination is made. Testing shall be conducted with corrective lenses applied, unless indicated otherwise in this section.

Subd. 3. [MAXIMUM AND MINIMUM LIMITS OF PRIMARY COORDINATE FACTORS OF VISION.] The primary coordinate factors of vision are central visual acuity, visual field efficiency, and ocular motility.

(a) The maximum limit for each coordinate function is established in clauses (1) to (3).

(1) The maximum limit of central visual acuity is the ability to recognize letters or characters which subtend an angle of five minutes, each unit part of which subtends a one-minute angle at the distance viewed. A 20/20 Snellen or A.M.A. chart is 100 percent (maximum) central visual acuity for distance vision. 14/14 A.M.A. card is 100 percent (maximum) central visual acuity for near vision.

(2) The maximum visual field is defined as 500 degrees. It is the sum of the degrees in the eight principal meridians from the point of fixation to the outermost limits of visual perception and defines the area in which a three millimeter white target is visible at 33 centimeters. One hundred percent visual field efficiency is that visual field which extends from the point of fixation outward 85 degrees, down 65 degrees, down and in 50 degrees, inward 60 degrees, in and up 55 degrees, upward 45 degrees, and up and out 55 degrees.

(3) Maximum ocular motility is present if there is absence of diplopia in all parts of the field of binocular fixation, and if normal binocular motor coordination is present.

(b) The minimum limit for each coordinate function is established in clauses (1) to (3).

(1) *The minimum limit of central visual acuity is:*

(i) *for distance vision, 20/800 Snellen or A.M.A. chart; and*

(ii) *for near vision, 14/560 A.M.A. card.*

(2) *The minimum limit for field vision is established as a concentric central contraction of the visual field to five degrees. Five degrees of contraction of the visual field reduces the visual efficiency of the eye to zero.*

(3) *The minimum limit for ocular motility is established by the presence of diplopia in all parts of the field of binocular fixation or by absence of binocular motor coordination. The minimum limit is 50 percent ocular motility efficiency.*

Subd. 4. [MEASUREMENT OF COORDINATE FACTORS OF VISION AND COMPUTATION OF PARTIAL LOSS.]

(a) *Central visual acuity shall be measured both for distance vision and for near vision, each eye being measured separately, both with and without correction. A Snellen or A.M.A. chart shall be used for distance vision and an A.M.A. card shall be used for near vision. Illumination shall be at least five foot-candles.*

(1) *Table 1 shows the percentage of visual efficiency corresponding to the notations for distance vision and for near vision. For test readings between those listed on the chart, round up from the midpoint to the nearest reading, and round down from below the midpoint.*

Where distance vision is less than 20/200 and the A.M.A. chart is used, readings are at ten feet. The test reading is translated to the corresponding distance reading in Table 1 by multiplying both the numerator and the denominator of the test reading by two.

TABLE 1

Central Visual Acuity

<i>A.M.A. Chart or Snellen Reading for Distance</i>	<i>A.M.A. Card Reading for Near</i>	<i>Percentage of Central Visual Acuity Efficiency</i>
20/20	14/14	100.00
20/25	14/17.5	95.7

<i>20/25.7</i>	<i>.....</i>	<i>95.0</i>
<i>20/30</i>	<i>14/21</i>	<i>91.5</i>
<i>20/32.1</i>	<i>.....</i>	<i>90.0</i>
<i>20/35</i>	<i>14/24.5</i>	<i>87.5</i>
<i>20/38.4</i>	<i>.....</i>	<i>85.0</i>
<i>20/40</i>	<i>14/28</i>	<i>83.6</i>
<i>20/44.9</i>	<i>14/31.5</i>	<i>80.0</i>
<i>20/50</i>	<i>14/35</i>	<i>76.5</i>
<i>20/52.1</i>	<i>.....</i>	<i>75.0</i>
<i>20/60</i>	<i>14/42</i>	<i>69.9</i>
<i>20/60.2</i>	<i>.....</i>	<i>70.0</i>
<i>20/68.2</i>	<i>.....</i>	<i>65.0</i>
<i>20/70</i>	<i>14/49</i>	<i>64.0</i>
<i>20/77.5</i>	<i>.....</i>	<i>60.0</i>
<i>20/80</i>	<i>14/56</i>	<i>58.5</i>
<i>20/86.8</i>	<i>.....</i>	<i>55.0</i>
<i>20/90</i>	<i>14/63</i>	<i>53.4</i>
<i>20/97.5</i>	<i>.....</i>	<i>50.0</i>
<i>20/100</i>	<i>14/70</i>	<i>48.9</i>
<i>20/109.4</i>	<i>.....</i>	<i>45.0</i>
<i>20/120</i>	<i>14/84</i>	<i>40.9</i>
<i>.....</i>	<i>14/89</i>	<i>38.4</i>
<i>20/122.5</i>	<i>.....</i>	<i>40.0</i>
<i>20/137.3</i>	<i>.....</i>	<i>35.0</i>
<i>20/140</i>	<i>14/98</i>	<i>34.2</i>

20/155	30.0
20/160	14/112	28.6
20/175	25.0
20/180	14/126	23.9
20/200	14/140	20.0
20/220	14/154	16.7
20/240	14/168	14.0
.....	14/178	12.3
20/260	14/182	11.7
20/280	14/196	9.7
20/300	14/210	8.2
20/320	14/224	6.8
20/340	14/238	5.7
20/360	14/252	4.8
20/380	14/266	4.0
20/400	14/280	3.3
20/450	14/315	2.1
20/500	14/350	1.4
20/600	14/420	0.6
20/700	14/490	0.3
20/800	14/560	0.1

(2) *The percentage of central visual acuity efficiency of the eye for distance vision is that percentage in Table 1 which corresponds to the test reading for distance vision for that eye.*

(3) *The percentage of central visual acuity efficiency of the eye for near vision is that percentage in Table 1 which corresponds to the test reading for near vision for that eye.*

(4) *The percentage of central visual acuity efficiency of the eye in question is determined as follows:*

(i) *Multiply by two the value determined for corrected near vision in clause (3).*

(ii) *Add the product obtained in (i) to the value determined for corrected distance vision in clause (2).*

(iii) *Divide the sum obtained in (ii) by three.*

The following is an example of this calculation. If the central visual acuity efficiency for distance is 70 percent, and that for near is 25 percent, the percentage of central visual acuity efficiency for the eye is:

$$\frac{70\% + (2 \times 25)}{3} = 40\% \text{ central visual acuity efficiency}$$

(5) *For traumatic aphakia, the corrected central visual acuity efficiency of the eye is 50 percent of the central visual acuity efficiency determined in clause (4). This clause shall not apply if an adjustment for glasses or contact lenses pursuant to subdivision 5, paragraph (b), clause (2) or (3) results in a lower visual efficiency than would be given by application of this clause.*

(6) *For traumatic pseudophakia, the corrected central visual acuity efficiency of the eye is 80 percent of the central visual acuity efficiency determined in clause (4). This clause shall not apply if an adjustment for glasses or contact lenses pursuant to subdivision 5, paragraph (b), clause (2) or (3) results in a lower visual efficiency than would be given by application of this clause.*

(b) *For each eye, the extent of the field of vision shall be determined by perimetric test methods. A three millimeter white disk which subtends a 0.5-degree angle under illumination of not less than seven footcandles shall be used. For aphakia, a six millimeter white disk shall be used. The result shall be plotted on the visual field chart as illustrated in the A.M.A. Guides, page 144.*

(1) *The amount of radial contraction in the eight principal meridians shall be determined. The sum of the degrees of field vision remaining on these meridians, divided by 500, is the visual field efficiency of one eye, expressed as a percentage. If the eye has a concentric central contraction of the field to a diameter of five degrees, the visual efficiency is zero.*

(2) *When the impairment of field is irregular and not fairly disclosed by the eight radii, the determination shall be based on a*

number of radii greater than eight and the divisor in clause (1) shall be changed accordingly.

(3) Where there is a loss of a quadrant or a half-field, the degrees of field vision remaining in each meridian are added to one-half the sum of the two boundary meridians.

(c) Ocular motility shall be measured in all parts of the motor field with any useful correction applied.

(1) All directions of gaze shall be tested with use of a test light and without the addition of colored lenses or correcting prisms. The extent of diplopia is determined on the perimeter at 330 millimeters or on a tangent screen at a distance of one meter from the eye.

(2) Plot the test results on a motility chart as illustrated in the A.M.A. Guides, page 147.

(3) Determine the percentage loss of ocular motility from the motility chart. This percentage is assigned to the injured eye or, if both eyes are injured, to the eye with the greatest impairment of central visual acuity and field vision. The eye with the greatest impairment means the eye for which the product of central visual acuity efficiency and visual field efficiency is the least. For the purpose of calculation, a value of zero percent is deemed to be one percent. For the other eye, the percentage loss of ocular motility is zero.

(4) The percentage loss of ocular motility is subtracted from 100 percent to obtain the ocular motility efficiency. The minimum ocular motility efficiency of one eye is 50 percent.

Subd. 5. [VISUAL EFFICIENCY.] The visual efficiency of one eye is the product of the efficiency values of central visual acuity, of visual field, and of ocular motility. For the purpose of this calculation, these values shall be expressed as decimals and not as percentages; a value of zero percent is deemed to be one percent.

(a) For example, if central visual acuity efficiency is 50 percent, visual field efficiency is 80 percent, and ocular motility efficiency is 100 percent, the visual efficiency of the eye is .50 times .80 times 1.00, equals 40 percent. If ocular motility efficiency is changed to 50 percent, the visual efficiency is .50 times .80 times .50, equals 20 percent.

(b) Visual efficiency shall be adjusted as set in this paragraph. Visual efficiency may not be less than zero percent. No adjustment for glasses or contacts shall be made in cases of aphakia or pseudophakia where the central visual efficiency was adjusted pursuant to subdivision 4, paragraph (a), clause (5) or (6).

(1) *Visual efficiency shall be decreased by subtracting two percent for any of the following conditions which are present due to the injury: loss of color vision; loss of adaptation to light and dark; metamorphosis; entropion or ectropion uncorrected by surgery; lagophthalmos; epiphora; and muscle disturbances such as ocular ticks not included under diplopia.*

(2) *If glasses are required as a result of the injury, or if as a result of the injury the refractive error increases by at least one diopeter of sphere or of cylinder or of both, subtract five percent from the visual efficiency. Where the glasses contain prisms, subtract six percent.*

(3) *If a noncosmetic contact lens is required in one or both eyes as a result of the injury, subtract seven percent from the visual efficiency.*

Subd. 6. [PROCEDURE FOR DETERMINING WHOLE BODY DISABILITY DUE TO VISION LOSS.] For each eye, subtract the percentage of visual efficiency determined in subdivision 5 from 100 percent. The difference is the percentage impairment of each eye. The better eye has the lower percentage impairment. The poorer eye has the greater percentage impairment.

(a) *Multiply the percentage impairment of the better eye by three.*

(b) *Add the percentage impairment of the poorer eye to the product obtained in paragraph (a).*

(c) *Divide the sum obtained in paragraph (b) by four.*

(d) *The quotient obtained in paragraph (c) is the percentage impairment of the visual system. Fractions shall be rounded to the nearest whole number percentage as provided in subdivision 4, paragraph (a), clause (1).*

(e) *The percentage impairment of the visual system is translated to the percentage disability of the whole body by Table 2.*

Table 2

Eye Schedule

<i>Impairment of Visual System, %</i>	<i>Disability of Whole Man, %</i>	<i>Impairment of Visual System, %</i>	<i>Disability of Whole Man, %</i>
0	0	45	42
1	1	46	43

<i>2</i>	<i>2</i>	<i>47</i>	<i>44</i>
<i>3</i>	<i>3</i>	<i>48</i>	<i>45</i>
<i>4</i>	<i>4</i>	<i>49</i>	<i>46</i>
<i>5</i>	<i>5</i>	<i>50</i>	<i>47</i>
<i>6</i>	<i>6</i>	<i>51</i>	<i>48</i>
<i>7</i>	<i>7</i>	<i>52</i>	<i>49</i>
<i>8</i>	<i>8</i>	<i>53</i>	<i>50</i>
<i>9</i>	<i>8</i>	<i>54</i>	<i>51</i>
<i>10</i>	<i>9</i>	<i>55</i>	<i>52</i>
<i>11</i>	<i>10</i>	<i>56</i>	<i>53</i>
<i>12</i>	<i>11</i>	<i>57</i>	<i>54</i>
<i>13</i>	<i>12</i>	<i>58</i>	<i>55</i>
<i>14</i>	<i>13</i>	<i>59</i>	<i>56</i>
<i>15</i>	<i>14</i>	<i>60</i>	<i>57</i>
<i>16</i>	<i>15</i>	<i>61</i>	<i>58</i>
<i>17</i>	<i>16</i>	<i>62</i>	<i>59</i>
<i>18</i>	<i>17</i>	<i>63</i>	<i>59</i>
<i>19</i>	<i>18</i>	<i>64</i>	<i>60</i>
<i>20</i>	<i>19</i>	<i>65</i>	<i>61</i>
<i>21</i>	<i>20</i>	<i>66</i>	<i>62</i>
<i>22</i>	<i>21</i>	<i>67</i>	<i>63</i>
<i>23</i>	<i>22</i>	<i>68</i>	<i>64</i>
<i>24</i>	<i>23</i>	<i>69</i>	<i>65</i>
<i>25</i>	<i>24</i>	<i>70</i>	<i>66</i>
<i>26</i>	<i>25</i>	<i>71</i>	<i>67</i>

27	25	72	68
28	26	73	69
29	27	74	70
30	28	75	71
31	29	76	72
32	30	77	73
33	31	78	74
34	32	79	75
35	33	80	76
36	34	81	76
37	35	82	77
38	36	83	78
39	37	84	79
40	38	85	80
41	39	86	81
42	40	87	82
43	41	88	83
44	42	89	84
		90-100	85

Sec. 74. [176B.04] [EAR SCHEDULE.]

Subdivision 1. [GENERAL.] For hearing loss, the maximum disability of the whole body is 35 percent. The procedures in subdivisions 2 to 7 shall be used to determine the extent of binaural hearing loss and of whole body disability.

Subd. 2. [MEDICAL DIAGNOSIS.] Otological evaluation shall be the method for determining the degree of permanent partial hearing loss. The medical diagnosis shall include the following:

(a) a complete history of occupational, military, and recreational noise exposure. This medical history shall include documentation of any previous hearing loss, if that information is available;

(b) a complete physical examination of the ear; and

(c) an audiological evaluation which shall include pure tone air conduction and bone conduction testing.

Subd. 3. [STANDARDS FOR AUDIOMETRIC CALIBRATION AND TEST ENVIRONMENT.] To ensure accurate measurement of hearing loss, the following standards shall be observed in conducting the tests required in subdivision 2:

(a) The audiometer used to measure hearing loss shall be calibrated to meet the specifications of ANSI S3.6-1969 (R1973), Specifications for Audiometers. The following are also required:

(1) biological or electroacoustical calibration checks of the audiometer shall be performed monthly;

(2) electroacoustical calibration shall be performed annually to certify the audiometer to the ANSI standard in this subdivision; and

(3) the calibration records shall be preserved and shall be provided upon request.

(b) Audiometric test rooms or booths shall meet the specifications of ANSI S3.1-1977, Criteria for Permissible Ambient Noise during Audiometric Testing.

Subd. 4. [WAITING PERIOD FOR FINAL EVALUATION OF HEARING LOSS.] A waiting period of at least three months shall elapse between the date of the occurrence of the noise injury and the final evaluation of the permanent partial hearing loss.

Subd. 5. [PROCEDURE FOR DETERMINING DISABILITY OF WHOLE BODY DUE TO HEARING LOSS.] The binaural hearing loss is determined as follows:

(a) The calculation for the percent of binaural hearing loss consists of the following steps:

(1) For each ear, test the hearing threshold levels at the four frequencies of 500, 1,000, 2,000, and 3,000 Hertz.

(2) For each ear, determine the average four-frequency hearing level. The average four-frequency hearing level is one-

fourth of the sum of the threshold levels at each of the four tested frequencies. The average four-frequency hearing level is expressed in decibels.

(3) For each ear, subtract 25 decibels from the average four-frequency hearing level for that ear. The remainder, expressed in decibels, is the adjusted average four-frequency hearing level.

(4) For each ear, multiply the adjusted average four-frequency hearing level by 1.5 percent. The product is the monaural hearing loss, expressed as a percentage. A product less than zero percent is deemed to be zero. A product greater than 100 percent is deemed to be 100 percent.

(5) Considering both ears, compare the monaural hearing losses as determined in clause (4). The ear with the smaller monaural hearing loss is the better ear. The ear with the larger monaural hearing loss is the poorer ear.

(6) Multiply the monaural hearing loss of the better ear by five, add this product to the monaural hearing loss of the poorer ear, and divide the sum by six. The quotient is the binaural hearing loss, expressed as a percentage. The formula is:

$$\frac{(\text{monaural hearing loss of better ear}) + 5 \times (\text{monaural hearing loss of poorer ear})}{6} = \text{percent binaural hearing loss}$$

(b) The calculation of the percent of binaural hearing loss is illustrated by the following examples.

Example 1

	500 Hertz	1,000 Hertz	2,000 Hertz	3,000 Hertz
Right ear	15	25	45	55
Left ear	30	45	60	85

1. Calculation of the average four-frequency hearing level:

$$\text{Right ear} = \frac{15 + 25 + 45 + 55}{4} = \frac{140}{4} = 35 \text{ decibels}$$

$$\text{Left ear} = \frac{30 + 45 + 60 + 85}{4} = \frac{220}{4} = 55 \text{ decibels}$$

2. Calculation of adjusted average four-frequency hearing level:

$$\text{Right ear} = 35 \text{ decibels} - 25 \text{ decibels} = 10 \text{ decibels};$$

$$\text{Left ear} = 55 \text{ decibels} - 25 \text{ decibels} = 30 \text{ decibels};$$

3. Calculation of monaural hearing loss:

$$\text{Right ear} = 10 \times 1.5\% = 15\%$$

$$\text{Left ear} = 30 \times 1.5\% = 45\%$$

4. Calculation of binaural hearing loss:

$$\frac{(15\% \times 5) + 45\%}{6} = 20 \text{ percent binaural hearing loss}$$

Example 2

	500 Hertz	1,000 Hertz	2,000 Hertz	3,000 Hertz
Right ear	20	25	30	35
Left ear	30	45	60	85

1. Calculation of average four-frequency hearing level.

$$\text{Right ear} = \frac{20 + 25 + 30 + 35}{4} = 25 \text{ decibels}$$

$$\text{Left ear} = \frac{30 + 45 + 60 + 85}{4} = 55 \text{ decibels}$$

2. Calculation of adjusted average four-frequency hearing level.

$$\text{Right ear} = 25 \text{ decibels} - 25 \text{ decibels} = 0 \text{ decibels}$$

$$\text{Left ear} = 55 \text{ decibels} - 25 \text{ decibels} = 30 \text{ decibels}$$

3. Calculation of monaural hearing loss:

$$\text{Right ear} = 0 \times 1.5 \text{ percent} = 0$$

$$\text{Left ear} = 30 \times 1.5 \text{ percent} = 45 \text{ percent}$$

4. Calculation of binaural hearing loss:

$$\frac{(0\% \times 5) + 45\%}{6} = 7.5 \text{ percent binaural hearing loss}$$

(c) The binaural hearing loss is translated to a percentage of disability of the whole body by the ear schedule set forth below:

EAR SCHEDULE

<i>Binaural Hearing Loss, Percent</i>	<i>Disability of Whole Body Percent</i>
0 - 1.7	0
1.8 - 4.2	1
4.3 - 7.4	2
7.5 - 9.9	3
10.0 - 13.1	4
13.2 - 15.9	5
16.0 - 18.8	6
18.9 - 21.4	7
21.5 - 24.5	8
24.6 - 27.1	9
27.2 - 30.0	10
30.1 - 32.8	11
32.9 - 35.9	12
36.0 - 38.5	13
38.6 - 41.7	14
41.8 - 44.2	15
44.3 - 47.4	16
47.5 - 49.9	17

50.0 - 53.1	18
53.2 - 55.7	19
55.8 - 58.8	20
58.9 - 61.4	21
61.5 - 64.5	22
64.6 - 67.1	23
67.2 - 70.0	24
70.1 - 72.8	25
72.9 - 75.9	26
76.0 - 78.5	27
78.6 - 81.7	28
81.8 - 84.2	29
84.3 - 87.4	30
87.5 - 89.9	31
90.0 - 93.1	32
93.2 - 95.7	33
95.8 - 98.8	34
98.9 - 100.0	35

Subd. 6. [PRESBYCUSIS.] The calculation of the binaural hearing loss shall not include an additional adjustment for presbycusis.

Subd. 7. [TINNITUS.] No additional percentage of permanent partial disability for hearing loss shall be allowed for tinnitus.

Sec. 75. [176B.05] [SKULL DEFECTS.]

Subdivision 1. [SKULL DEPRESSIONS.] For skull defects the percent of disability of the whole body is provided by the following schedule:

	<i>Unfilled defect Percent</i>	<i>Filled defect Percent</i>
<i>0 - 1-1/2 square inches</i>	<i>0</i>	<i>0</i>
<i>1-1/2 - 2-1/2 square inches</i>	<i>5</i>	<i>0</i>
<i>2-1/2 - 4 square inches</i>	<i>10</i>	<i>2</i>
<i>4 - 6-1/2 square inches</i>	<i>15</i>	<i>3</i>
<i>6-1/2 or more square inches</i>	<i>20</i>	<i>5</i>

Subd. 2. [SKULL FRACTURES.] Skull fractures are:

(a) Basilar skull fracture with persistent spinal fluid leak, 20 percent.

(b) Basilar skull fracture without cerebrospinal fluid leak, 0 percent.

Sec. 76. [176B.06] [CENTRAL NERVOUS SYSTEM.]

Subdivision 1. [GENERAL.] For permanent partial disability of the central nervous system the percentage of disability of the whole body is as provided in subdivisions 2 to 9.

Subd. 2. [TRIGEMINAL NERVE.] Permanent partial disability of the trigeminal nerve is a disability of the whole body as follows:

- (a) partial unilateral sensory loss, three percent;*
- (b) complete unilateral sensory loss, five percent;*
- (c) partial bilateral sensory loss, ten percent;*
- (d) complete bilateral sensory loss, 25 percent;*
- (e) intractable trigeminal neuralgia, 20 percent;*
- (f) atypical facial pain, five percent;*
- (g) partial unilateral motor loss, two percent;*
- (h) complete unilateral motor loss, five percent;*
- (i) partial bilateral motor loss, ten percent; or*
- (j) complete bilateral motor loss, 30 percent.*

Subd. 3. [FACIAL NERVE.] Permanent partial disability of the facial nerve is a disability of the whole body as follows:

- (a) total loss of taste, three percent;*
- (b) partial unilateral motor loss, 25 to 75 percent of function lost, three percent;*
- (c) unilateral motor loss, more than 75 percent of function lost, ten percent;*
- (d) partial bilateral motor loss, 25 to 75 percent of function lost, ten percent; or*
- (e) bilateral motor loss, more than 75 percent of function lost, 20 percent.*

Subd. 4. [VESTIBULAR LOSS WITH VERTIGO OR DISEQUILIBRIUM.] Vestibular loss with vertigo or disequilibrium is a disability of the whole body as follows:

- (a) a score of 24 to 28 on the Kenny scale, and restricted in activities involving personal or public safety, such as operating a motor vehicle or riding a bicycle, ten percent;*
- (b) a score of 16 to 28 on the Kenny scale, and ambulation impaired due to equilibrium disturbance, 30 percent;*
- (c) a score of ten to 16 on the Kenny scale, 40 percent; or*
- (d) a score of zero to ten on the Kenny scale, 70 percent.*

Subd. 5. [GLOSSOPHARYNGEAL, VAGUS AND SPINAL ACCESSORY NERVES.] Permanent partial disability to glossopharyngeal, vagus and spinal accessory nerves is a disability of the whole body as follows:

- (a) Swallowing impairment caused by disability to any one or more of these nerves:*
 - (1) diet restricted to semi-solids, ten percent;*
 - (2) diet restricted to liquids, 25 percent; or*
 - (3) diet by tube feeding or gastrostomy, 50 percent.*
- (b) Mechanical disturbances of articulation due to disability to any one or more of these nerves:*
 - (1) 95 percent or more of words are understood by those who are not family members and others outside the immediate family, but speech is distorted, five percent;*

(2) 95 percent or more of words are understood by family members, but speech is distorted and not easily understood by those who are not family members, ten percent;

(3) 75 percent or more of words are understood by family members, but speech is distorted, 15 percent;

(4) more than 50 percent of words are understood by family members, 20 percent;

(5) less than 50 percent of words are understood by family members, 25 percent; or

(6) ten percent or less of words are understood by family members, 30 percent.

Subd. 6. [HYPOGLOSSAL NERVE.] *Permanent partial disability of hypoglossal nerve is a disability of the whole body as follows:*

(a) *Bilateral paralysis; swallowing impairment:*

(1) *diet restricted to semi-solids, ten percent;*

(2) *diet restricted to liquids, 25 percent; and*

(3) *diet by tube feeding or gastrostomy, 50 percent.*

(b) *Mechanical disturbances of articulation:*

(1) 95 percent or more of words are understood by family members and others outside the immediate family, but speech is distorted, five percent;

(2) 95 percent or more of words are understood by family members, but speech is distorted and not easily understood by nonfamily members, ten percent;

(3) 75 percent or more of words are understood by family members, but speech is distorted, 15 percent;

(4) more than 50 percent of words are understood by family members, 20 percent;

(5) less than 50 percent of words are understood by family members, 25 percent; or

(6) ten percent or less of words are understood by family members, 30 percent.

Subd. 7. [SPINAL CORD.] To rate under this subdivision, determine the disability to the lower extremities, upper extremities, respiration, urinary bladder, anorectal, and sexual functions as follows. The percentage of whole body disability under this subdivision is determined by combining the disabilities under paragraphs (a) to (f) in the manner described in section 176.105, subdivision 4.

(a) A permanent partial disability in the use of lower extremities is a disability of the whole body as follows:

(1) can rise to a standing position and can walk, but has difficulty walking onto elevations, grades, steps, and distances, 15 percent;

(2) can stand but can walk only on a level surface, 30 percent;

(3) can stand but cannot walk, 45 percent; and

(4) can neither stand nor walk, 55 percent.

(b) Permanent partial disability in the use of upper extremities is a disability of the whole body as follows:

Whole Body Disability, Percentages

	<i>Preferred extremity</i>	<i>Nonpreferred extremity</i>	<i>Both</i>
<i>score of 24 to 28 on Kenny scale, but some difficulty with digital dexterity</i>	10	5	15
<i>score of 16 to 28 on Kenny scale, but no digital dexterity</i>	20	10	30
<i>score of ten to 16 on Kenny scale</i>	40	40	50
<i>score of zero to ten on Kenny scale</i>	70	70	85

(c) Permanent partial disability of the respiratory function is a disability of the whole body as follows:

(1) difficulty only where extra exertion is required, such as running, climbing stairs, heavy lifting, or carrying loads, ten percent;

(2) *restricted to limited walking, confined to one's own home, 35 percent;*

(3) *restricted to bed, 75 percent; and*

(4) *has no spontaneous respiration, 95 percent.*

(d) *Permanent partial disability of the bladder is a disability of the whole body as set forth below. Evaluative procedures to be followed are in section 176B.22, subdivision 2.*

(1) *impaired voluntary control evidenced by urgency or hesitancy, but continent without collecting devices, ten percent;*

(2) *impaired voluntary control, incontinent requiring external collecting devices, 20 percent; or*

(3) *impaired voluntary control, incontinent requiring internal collecting or continence devices, 30 percent.*

(e) *The permanent partial disability of the anorectal function is a disability of the whole body as follows:*

(1) *impaired voluntary control with urgency, ten percent;*

(2) *impaired voluntary control without reflex regulation, 20 percent; or*

(3) *impaired voluntary control, incontinent without diversion, 30 percent.*

(f) *Permanent partial disability of sexual function is a disability of the whole body as follows:*

(1) *Male: rate under section 176B.22, subdivision 6.*

(2) *Female: rate under section 176B.22, subdivision 9.*

Subd. 8. [BRAIN INJURY.] *Supporting objective evidence of structural injury, neurological deficit, or psychomotor findings is required to substantiate the permanent partial disability. Permanent partial disability of the brain is a disability of the whole body as follows:*

(a) *Communications disturbances, expressive:*

(1) *mild disturbance of expressive language ability not significantly impairing ability to be understood, such as mild word-finding difficulties, mild degree of paraphasias, or mild dysarthria, ten percent;*

(2) *severe impairment of expressive language ability, but still capable of functional communication with the use of additional methods such as gestures, facial expressions, writing, word board, or alphabet board, 35 percent; or*

(3) *unable to produce any functional expressive language, 70 percent.*

(b) *Communication disturbances, receptive:*

(1) *mild impairment of comprehension of aural speech, but comprehension functional with the addition of visual cues such as gestures, facial expressions, or written material, 40 percent;*

(2) *some ability to comprehend language is present, but significant impairment even with use of visual cues such as gestures, facial expressions, and written material, 60 percent; or*

(3) *no evidence of functional comprehension of language, 90 percent.*

(c) *Complex integrated cerebral function disturbances must be determined by medical observation and organic dysfunctions supported by psychometric testing. Functional overlay or primary psychiatric disturbances shall not be rated under this section. The permanent partial disabilities are as follows:*

(1) *mild impairment of higher level cognitive function or memory, but able to live independently and function in the community as evidenced by independence in activities such as shopping and taking a bus, 20 percent;*

(2) *same as clause (1), and also requires supporting devices and direction to carry out limited vocational tasks, 30 percent;*

(3) *moderate impairment of memory, judgment, or other higher level cognitive abilities, can live alone with some supervision such as for money management, some limitation in ability to function independently outside the home in activities such as shopping and traveling, 50 percent;*

(4) *moderately severe impairment of memory, judgment, or other higher cognitive abilities, unable to live alone and some supervision required at all times, but able to perform self cares independently, 70 percent; or*

(5) *severe impairment of memory, judgment, or other higher cognitive abilities such that constant supervision and assistance in self cares are required, 95 percent.*

(d) Emotional disturbances and personality changes must be substantiated by medical observation and by organic dysfunction supported by psychometric testing. Permanent partial disability is a disability of the whole body as follows:

(1) only present under stressful situation such as losing one's job, getting a divorce, or a death in the family, ten percent;

(2) present at all times but not significantly impairing ability to relate to others, to live with others, or to perform self cares, 30 percent;

(3) present at all times in moderate to severe degree, minimal ability to live with others, some supervision required, 65 percent; or

(4) severe degree of emotional disturbance which, because of danger to self and others, requires continuous supervision, 95 percent.

(e) Psychotic disorders, as described in D.S.M. III, not caused by organic dysfunction and substantiated by medical observation:

(1) only present under stressful situation, such as losing one's job, getting divorced, a death in the family, ten percent;

(2) present at all times but not significantly impairing ability to relate to others, live with others, or perform self cares, 30 percent;

(3) present at all times in moderate to severe degree significantly affecting ability to live with others, and requiring some supervision, 65 percent; or

(4) severe degree of emotional disturbance which, because of danger to self or others, requires continuous supervision, 95 percent.

(f) Consciousness disturbances; permanent partial disability of the whole body is as follows:

(1) mild or intermittent decreased level of consciousness manifested by periodic mild confusion or lethargy, a score of 16 to 28 on the Kenny scale, 40 percent;

(2) moderate intermittent or continuous decreased level of consciousness manifested by a moderate level of confusion or lethargy, and a score of ten to 16 on the Kenny scale, 70 percent;

(3) *severe decreased level of consciousness manifested as stupor with inability to function independently, and a score of zero to ten on the Kenny scale, 95 percent; or*

(4) *comatose or persistent vegetative state, 99 percent.*

(g) *Motor dysfunction, movement disorder, paralysis, spasticity, sensory loss, or neglect. Where these impairments are due to brain or brain stem injury, rate as provided in subdivision 7, paragraphs (a) and (b).*

(h) *Other impairments; impairments of respiration, urinary bladder function, anorectal functions, or sexual function due to brain or brain stem injury are rated as provided in subdivision 7, paragraphs (c) to (f).*

(i) *Epilepsy; permanent partial disability due to epilepsy is a disability of the whole body as follows:*

(1) *well controlled, on medication for one year or more, able to enter work force but with restrictions preventing operation of motor vehicles or dangerous machinery and climbing above six feet in height, ten percent;*

(2) *seizures occurring at least once a year, but not severely limiting ability to live independently, 20 percent;*

(3) *seizures occurring at least six times per year, some supervision required, 40 percent;*

(4) *seizures poorly controlled with at least 15 seizures per year, supervision required, protective care required with activities restricted, 75 percent; or*

(5) *frequency of seizures requires continuous supervision and protective care, activities restricted, unable to perform self cares, 95 percent.*

(j) *Headaches; permanent partial disability due to vascular headaches with nausea or vomiting is a five percent disability of the whole body.*

(k) *Total loss of taste, three percent.*

(l) *Traumatic head injury, complete and total loss of smell, supported by objective examination, three percent.*

Sec. 77. [176B.07] [MUSCULO-SKELETAL SCHEDULE; BACK.]

Subdivision 1. [LUMBAR SPINE.] The spine rating is inclusive of leg symptoms except for gross motor weakness,

bladder or bowel dysfunction, or sexual dysfunction. Permanent partial disability of the lumbar spine is a disability of the whole body as follows:

(a) *Healed sprain, strain, or contusion:*

(1) *Subjective symptoms of pain not substantiated by objective clinical findings or demonstrable degenerative changes, zero percent.*

(2) *Pain associated with rigidity (loss of motion or postural abnormality) or chronic muscle spasm. The chronic muscle spasm or rigidity is substantiated by objective clinical findings but without associated demonstrable degenerative changes, 3.5 percent.*

(3) *Pain associated with rigidity (loss of motion or postural abnormality) or chronic muscle spasm. The chronic muscle spasm or rigidity is substantiated by objective clinical findings and is associated with demonstrable degenerative changes.*

(i) *single vertebral level, seven percent; or*

(ii) *multiple vertebral levels, 10.5 percent.*

(4) *pain associated with rigidity (loss of motion or postural abnormality) or chronic muscle spasm. The chronic muscle spasm or rigidity is substantiated by objective clinical findings.*

(i) *spondylolisthesis grade I, no surgery, seven percent;*

(ii) *spondylolisthesis grade II, no surgery, 14 percent; or*

(iii) *spondylolisthesis grade III or IV, without fusion, 24.5 percent.*

(b) *Herniated intervertebral disc, single vertebral level:*

(1) *condition not surgically treated:*

(i) *X-ray or computerized axial tomography or myelogram specifically positive for herniated disc; excellent results, with resolution of objective neurologic findings, nine percent.*

(ii) *back and specific radicular pain present with objective neurologic findings; and X-ray or computerized axial tomography or myelogram specifically positive for herniated disc; and no surgery is performed for treatment, 14 percent;*

(2) *condition treated by surgery:*

(i) *surgery or chemonucleolysis with excellent results such as mild low back pain, no leg pain, and no neurologic deficit, nine percent;*

(ii) *surgery or chemonucleolysis with average results such as mild increase in symptoms with bending or lifting, and mild to moderate restriction of activities related to back and leg pain, 11 percent;*

(iii) *surgery or chemonucleolysis with poor surgical results such as persistent or increased symptoms with bending or lifting, and major restriction of activities because of back and leg pain, 13 percent; or*

(iv) *multiple operations on low back with poor surgical results such as persisting or increased symptoms of back and leg pain, 15 percent;*

(3) *recurrent herniated intervertebral disc, occurring to same vertebral level previously treated with surgery or chemonucleolysis, add five percent to clause (2);*

(4) *herniated intervertebral disc at a new vertebral level other than the previously treated herniated intervertebral disc, calculate rating the same as clauses (1) and (2); or*

(5) *second herniated disc at adjacent level treated concurrently, add five percent to clause (1) or (2).*

(c) *Spinal stenosis, central or lateral, proven by computerized axial tomography or myelogram:*

(1) *mild symptoms such as occasional back pain with athletic activities or repetitive bending or lifting, leg pain with radicular symptoms, one vertebral level and no surgery, 14 percent; or*

(2) *severe spinal stenosis with bilateral leg pain requiring decompressive laminectomy, single vertebral level, with or without surgery (if multiple vertebral levels, add five percent per vertebral level), 18 percent.*

(d) *Spinal fusion surgery for single vertebral level with or without laminectomy, 17.5 percent. Add five percent for each additional vertebral level.*

(e) *Fractures:*

(1) *vertebral compression with a decrease of ten percent or less in vertebral height, one or more vertebral segments, no*

fragmentation, no involvement of posterior elements, no nerve root involvement, four percent;

(2) vertebral compression with a decrease of 25 percent or less in vertebral height, one or more vertebral segments, no fragmentation, no involvement posterior elements, no nerve root involvement, 10.5 percent;

(3) vertebral compression fracture, with a decrease of more than 25 percent in vertebral height, one or more vertebral segments, no fragmentation, no involvement posterior elements, no nerve root involvement, 15 percent;

(4) vertebral fracture with involvement of posterior elements with X-ray evidence of moderate partial dislocation:

(i) no nerve root involvement, healed, 10.5 percent;

(ii) with persistent radicular pain, 12 percent;

(iii) with surgical fusion, healed, no permanent motor or sensory changes, 14 percent;

(5) severe dislocation:

(i) normal reduction with surgical fusion, 12 percent;

(ii) poor reduction with fusion, persistent radicular pain, 17.5 percent.

Subd. 2. [CERVICAL SPINE.] The spine rating is inclusive of arm symptoms except for gross motor weakness; sensory loss; and bladder, bowel, or sexual dysfunction. Bladder, bowel, or sexual dysfunction must be rated as provided in section 176B.06, subdivision 7. Permanent partial disability of the cervical spine is a disability of the whole body as follows:

(a) Healed sprain, strain, or contusion:

(1) Subjective symptoms of pain not substantiated by objective clinical findings or demonstrable degenerative changes, zero percent.

(2) Pain associated with rigidity (loss of motion or postural abnormality) or chronic muscle spasm. The chronic muscle spasm or rigidity is substantiated by objective clinical findings but without associated demonstrable degenerative changes, 3.5 percent.

(3) Pain associated with rigidity (loss of motion or postural abnormality) or chronic muscle spasm. The chronic muscle

spasm or rigidity is substantiated by objective clinical findings and is associated with demonstrable degenerative changes.

(i) *Single vertebral level, seven percent; or*

(ii) *Multiple vertebral levels, 10.5 percent.*

(b) *Herniated intervertebral disc, single vertebral level:*

(1) *Condition not surgically treated:*

(i) *X-ray or computerized axial tomography or myelogram specifically positive for herniated disc; excellent results, with resolution of objective neurologic findings, nine percent.*

(ii) *Neck and specific radicular pain present with objective neurologic findings; and X-ray or computerized axial tomography or myelogram specifically positive for herniated disc; and no surgery is performed for treatment, 14 percent.*

(2) *Condition treated by surgery:*

(i) *Surgery with excellent results such as mild neck pain, no arm pain, and no neurologic deficit, nine percent.*

(ii) *Surgery with average results such as mild increase in symptoms with neck motion or lifting, and mild to moderate restriction of activities related to neck and arm pain, 11 percent.*

(iii) *Surgery with poor surgical results such as persistent or increased symptoms with neck motion or lifting, and major restriction of activities because of neck and arm pain, 13 percent.*

(iv) *Multiple operations on neck with poor surgical results such as persisting or increased symptoms of neck and arm pain, 15 percent.*

(3) *Recurrent herniated intervertebral disc, occurring to same vertebral level previously treated with surgery, add five percent to clause (2).*

(4) *Herniated intervertebral disc at a new vertebral level other than the previously treated herniated intervertebral disc, calculate rating the same as clauses (1) and (2).*

(5) *Second herniated disc at adjacent level treated concurrently, add five percent to clause (1) or (2).*

(c) *Spinal stenosis, proven by computerized axial tomography or myelogram.*

(1) *With myelopathy verified by objective neurologic findings, no loss of function, 14 percent.*

(2) *Loss of function: the rate provided in section 176B.06, subdivision 7.*

(d) *Fusion of a single vertebral level with or without a laminectomy, 11.5 percent. Add five percent for each additional vertebral level.*

(e) *Fracture:*

(1) *vertebral compression with a decrease of ten percent or less in vertebral height, one or more vertebral segments, no fragmentation, no involvement of posterior elements, no nerve root involvement, loss of motion neck and all planes, approximately 75 percent normal range of motion neck with pain, six percent;*

(2) *vertebral compression with a decrease of 25 percent or less in vertebral height, one or more vertebral segments, no fragmentation, no involvement posterior elements, no nerve root involvement, loss of motion in the neck in all planes, approximately 50 percent normal range of motion in neck with pain, 14 percent;*

(3) *vertebral compression with a decrease of more than 25 percent of vertebral height, one or more vertebral segments, no fragmentation, no involvement posterior elements, no nerve root involvement, loss of motion in the neck in all planes, approximately 50 percent normal range of motion in neck with pain, 19 percent;*

(4) *vertebral fracture with involvement of posterior elements with X-ray evidence of moderate partial dislocation:*

(i) *no nerve root involvement, healed, 10.5 percent;*

(ii) *with persistent pain, 12 percent;*

(iii) *with surgical fusion, healed, no permanent motor or sensory changes, 14 percent;*

(5) *severe dislocation:*

(i) *normal reduction with surgical fusion, 12 percent;*

(ii) *poor reduction with fusion, persistent radicular pain, 17.5 percent.*

Subd. 3. [THORACIC SPINE.] The spine rating is inclusive of all symptoms including radicular gross motor weakness

and sensory loss, but excluding spinal cord injury. Permanent partial disability of the thoracic spine is a disability of the whole body as follows:

(a) Healed sprain, strain, or contusion:

(1) Subjective symptoms of pain not substantiated by objective clinical findings or demonstrable degenerative changes, zero percent.

(2) Pain associated with chronic muscle spasm. The chronic muscle spasm is substantiated by objective clinical findings and is associated with demonstrable degenerative changes, single or multiple level, 3.5 percent.

(b) Herniated intervertebral disc, symptomatic:

(1) Condition not surgically treated:

(i) X-ray or computerized axial tomography or myelogram specifically positive for herniated disc; excellent results, with resolution of objective neurologic findings, three percent.

(ii) Specific radicular pain present with objective neurologic findings, and X-ray or computerized axial tomography or myelogram specifically positive for herniated disc, and no surgery is performed for treatment, five percent.

(2) Condition treated by surgery:

(i) surgery with excellent results such as mild thoracic pain, no radicular pain, and no neurological deficit, five percent;

(ii) surgery with poor surgical results such as persistence of increased symptoms with lifting, and major restriction of activities, ten percent.

(c) Fractures:

(1) Vertebral compression with a decrease of ten percent or less in vertebral height, one or more vertebral segments, no fragmentation, no involvement of posterior elements, no nerve root involvement, four percent.

(2) Vertebral compression with a decrease of 25 percent or less in vertebral height, one or more vertebral segments, no fragmentation, no involvement posterior elements, no nerve root involvement, 10.5 percent.

(3) Vertebral compression fracture, with a decrease of more than 25 percent in vertebral height, one or more vertebral

segments, no fragmentation, no involvement posterior elements, no nerve root involvement, 15 percent.

(4) Vertebral fracture with involvement of posterior elements with x-ray evidence of moderate partial dislocation:

(i) no nerve root involvement, healed, 10.5 percent;

(ii) with persistent pain, with mild motor and sensory manifestations, 17.5 percent;

(iii) with surgical fusion, healed, no permanent motor or sensory changes, 14 percent.

(5) Severe dislocation, normal reduction with surgical fusion:

(i) no residual motor or sensory changes, 12 percent;

(ii) poor reduction with fusion, persistent radicular pain, motor involvement, 17.5 percent.

Sec. 78. [176B.08] [MUSCULO-SKELETAL SCHEDULE; AMPUTATIONS OF UPPER EXTREMITY.]

Permanent partial disability due to amputation of upper extremities is a disability of the whole body as follows:

(a) forequarter amputation, 70 percent;

(b) disarticulation at shoulder joint, 60 percent;

(c) amputation of arm above deltoid insertion, 60 percent;

(d) amputation of arm between deltoid insertion and elbow joint, 57 percent;

(e) disarticulation at elbow joint, 57 percent;

(f) amputation of forearm below elbow joint proximal to insertion of biceps tendon, 57 percent;

(g) amputation of forearm below elbow joint distal to insertion of biceps tendon, 54 percent;

(h) disarticulation at wrist joint, 54 percent;

(i) midcarpal or midmetacarpal amputation of hand, 54 percent;

(j) *amputation of all fingers except thumb at metacarpophalangeal joints, 32.5 percent;*

(k) *amputation of thumb:*

(1) *at metacarpophalangeal joint or with resection of metacarpal bone, 21.5 percent;*

(2) *at interphalangeal joint or through proximal phalynx, 16 percent;*

(3) *from interphalangeal joint to midportion distal phalynx, 13 percent;*

(4) *from mid-distal phalynx, distal, six percent;*

(l) *amputation of index finger:*

(1) *at metacarpophalangeal joint or with resection of metacarpal bone or through proximal phalynx, 13.5 percent;*

(2) *at proximal interphalangeal joint or through middle phalynx, 11 percent;*

(3) *at distal interphalangeal joint to middistal phalynx, five percent;*

(4) *from middistal phalynx, distal, 2.5 percent;*

(m) *amputation of middle finger:*

(1) *at metacarpophalangeal joint or with resection of metacarpal bone or through proximal phalynx, 11 percent;*

(2) *at proximal interphalangeal joint or through middle phalynx, nine percent;*

(3) *at distal interphalangeal joint to middistal phalynx, five percent;*

(4) *from middistal phalynx, distal, 2.5 percent;*

(n) *amputation of ring finger:*

(1) *at metacarpophalangeal joint or with resection of metacarpal bone or through proximal phalynx, 5.5 percent;*

(2) *at proximal interphalangeal joint or through middle phalynx, four percent;*

(3) at distal interphalangeal joint to middistal phalynx, three percent;

(4) from middistal phalynx, distal, 1.5 percent;

(o) amputation of little finger:

(1) at metacarpophalangeal joint or with resection of metacarpal bone or through proximal phalynx, three percent;

(2) at proximal interphalangeal joint or through middle phalynx, two percent;

(3) at distal interphalangeal joint to middistal phalanx, one percent;

(4) from middistal phalynx, distal, 0.5 percent.

Sec. 79. [176B.09] [MUSCULO-SKELETAL SCHEDULE; SENSORY LOSS, UPPER EXTREMITIES.]

Subdivision 1. [GENERAL.] For sensory loss to the upper extremities resulting from nerve injury, the disability of the whole body is set forth in subdivisions 2 to 4. For the portion of the body described in subdivision 2, there must be a total loss of the sensory function. Carpal tunnel syndrome is rated under section 176B.13, subdivision 3, paragraphs (e) and (f).

Subd. 2. [TOTAL SENSORY LOSS.] Sensory loss, complete:

(a) median function at wrist, 22.5 percent;

(b) ulnar function at wrist, 11 percent;

(c) radial function at wrist, 5.5 percent;

(d) medial antebrachial cutaneous, three percent;

(e) medial brachial cutaneous, three percent;

(f) loss of thumb, whole, 11 percent;

(1) radial digital nerve, four percent;

(2) ulnar digital nerve, 6.5 percent;

(g) index finger, whole, 5.5 percent;

(1) radial digital nerve, whole, 3.5 percent;

- (2) *ulnar digital nerve, two percent;*
- (h) *long finger, whole, 5.5 percent;*
- (1) *radial digital nerve, 3.5 percent;*
- (2) *ulnar digital nerve, two percent;*
- (i) *ring finger, whole, three percent;*
- (1) *radial digital nerve, two percent;*
- (2) *ulnar digital nerve, one percent;*
- (j) *little finger, whole, three percent;*
- (1) *radial digital nerve, one percent;*
- (2) *ulnar digital nerve, two percent;*
- (k) *sensory loss distal to proximal interphalangeal joint, 50 percent of the value of entire digital nerve as set forth in subdivision 2, either radial or ulnar as applicable;*
- (l) *sensory loss distal to one-half distal phalanx, 25 percent of entire digital nerve as set forth in subdivision 2.*

Subd. 3. [QUALITY OF SENSORY LOSS IN HAND.] The levels of sensory loss and the corresponding disabilities of the whole body are measured as follows:

- (a) *minimal, two-point discrimination at six millimeters or less, zero percent;*
- (b) *moderate, two-point discrimination greater than six millimeters, 1/2 of value in subdivision 2;*
- (c) *severe, two-point discrimination at greater than ten millimeters, 3/4 of value in subdivision 2;*
- (d) *total, two-point discrimination at greater than 15 millimeters, same value as in subdivision 2.*

Subd. 4. [CAUSALGIA.] When objective medical evidence shows persistent causalgia despite treatment, there is loss of sensory and motor function, loss of joint function, and inability to use the extremity in any useful manner. The permanent partial disability to the member, rating from the most proximal joint involved, and the percentage disability of the whole body is 50 percent of that in section 176B.08, subdivision 1.

**Sec. 80. [176B.10] [MUSCULO-SKELETAL SCHEDULE;
MOTOR LOSS OR MOTOR AND SENSORY LOSS, UPPER
EXTREMITIES.]**

Subdivision 1. [TOTAL OR COMPLETE LOSS.] Total or complete loss means that motor function is less than anti-gravity and there is complete loss of sensation. For loss to the upper extremities resulting from nerve injury, and where there is total loss of function for those particular portions of the body, the disability of the whole body is:

(a) Motor loss, complete:

- (1) median nerve above mid forearm, 30 percent;*
- (2) median nerve below mid forearm, 19 percent;*
- (3) radial nerve, 19 percent;*
- (4) ulnar nerve above mid forearm, 19 percent;*
- (5) ulnar nerve below mid forearm, 13.5 percent.*

(b) Complete motor and sensory loss:

- (1) median nerve above mid forearm, 40.5 percent;*
- (2) median nerve below mid forearm, 35 percent;*
- (3) radial nerve, 27 percent;*
- (4) ulnar nerve above mid forearm, 21.5 percent;*
- (5) ulnar nerve below mid forearm, 16 percent.*

(c) Complete loss of motor function:

- (1) brachial plexus complete, 60 percent:*
 - (i) upper trunk C5-6, 47 percent;*
 - (ii) mid trunk C7, 23 percent;*
 - (iii) lower trunk C8-T1, 46 percent;*
- (2) anterior thoracic, three percent;*
- (3) axillary nerve, 23 percent;*
- (4) dorsal scapular, three percent;*

- (5) *long thoracic, nine percent;*
 - (6) *musculo cutaneous, 17.5 percent;*
 - (7) *subscapular, three percent;*
 - (8) *suprascapular, 11.5 percent;*
 - (9) *thoraco dorsal, six percent.*
- (d) *Complete loss of function, motor and sensory:*
- (1) *C-5 root, 11 percent;*
 - (2) *C-6 root, 12 percent;*
 - (3) *C-7 root, 11 percent;*
 - (4) *C-8 root, 13 percent.*

Subd. 2. [PARTIAL LOSS.] Partial loss means that motor function is less than normal but greater than anti-gravity, and there is incomplete sensory loss. Partial loss is rated at 25 percent of the percentages assigned at subdivision 1.

Sec. 81. [176B.11] [MUSCULO-SKELETAL SCHEDULE; SHOULDER.]

Subdivision 1. [GENERAL.] For permanent partial disability to the shoulder, disability of the whole body is as in subdivisions 2 and 3.

Subd. 2. [RANGE OF MOTION.] (a) Total ankylosis in optimum position, abduction 60 degrees, flexion ten degrees, rotation, neutral position, 30 percent;

(b) total ankylosis in mal-position, grade upward to 50 percent;

(c) mild limitation of motion: no abduction beyond 90 degrees, rotation no more than 40 degrees with full flexion and extension, three percent;

(d) moderate limitation of motion: no abduction beyond 60 degrees, rotation no more than 20 degrees, with flexion and extension limited to 30 degrees, 12 percent;

(e) severe limitation of motion: no abduction beyond 25 degrees, rotation no more than ten degrees, flexion and extension limited to 20 degrees, 30 percent.

Subd. 3. [PROCEDURES OR CONDITIONS.] (a) Acromio-clavicular separation of the following severity:

- (1) *grade 1, zero percent;*
- (2) *grade 2, three percent;*
- (3) *grade 3, six percent.*

(b) anterior or posterior shoulder dislocation, no surgery, single episode, three percent.

(c) recurrent dislocation, at least three times in six months, ten percent.

(d) repair recurrent shoulder dislocation:

- (1) *no loss of motion, six percent;*
- (2) *if mild limitation of motion, nine percent;*

(3) if moderate or severe limitation of motion, rate as in subdivision 2, paragraphs (d) and (e).

(e) resection distal end of clavicle, three percent.

(f) humeral shaft fracture, normal range of motion both joints, zero percent.

(g) humeral shaft fracture, open reduction, mild restriction of shoulder and elbow motion, six percent. For moderate or severe limitation of motion, rate as in subdivision 2, paragraphs (d) and (e).

(h) surgical neck fracture, healed, no loss of motion, zero percent; if loss of motion, rate as in subdivision 2.

(i) greater tuberosity fracture, normal range of motion, zero percent. If loss of motion, rate as in subdivision 2.

Sec. 82. [176B.12] [MUSCULO-SKELETAL SCHEDULE; ELBOW.]

Subdivision 1. [GENERAL.] Permanent partial disability of the elbow is disability of the whole body as in subdivisions 2 and 3.

Subd. 2. [RANGE OF MOTION.] Flexion and extension of forearm is 85 percent of the arm. Rotation of the forearm is 15 percent of the arm.

(a) Total ankylosis in optimum position approximating midway between 90 degrees flexion and 180 degrees extension, a 45-degree angle, 30 percent.

(b) Total ankylosis in mal-position, 40 percent.

(c) Limitation of motion:

(1) mild, motion limited from ten degrees flexion to 100 degrees of further flexion, six percent;

(2) moderate, motion limited from 20 degrees flexion to 75 degrees of further flexion, 12 percent;

(3) severe, motion limited from 45 degrees flexion to 90 degrees of further flexion, 21 percent;

(d) Flail elbow, pseudarthrosis above joint line, wide motion but very unstable, 39 percent.

(e) Resection head of radius, nine percent.

Subd. 3. [PROCEDURES OR CONDITIONS.] (a) Radial or ulnar shaft fracture, full motion, zero percent;

(b) radial or ulnar fracture, open reduction, mild limitation of motion as defined in subdivision 2, paragraph (c), nine percent;

(c) olecranon fracture, no loss of motion, zero percent;

(d) olecranon fracture, open reduction internal fixation, mild limitation of motion as defined in subdivision 2, paragraph (c), six percent;

(e) epicondylar fracture, no loss of motion, zero percent;

(f) epicondylar fracture, mild loss of motion as defined in subdivision 2, paragraph (c), six percent;

(g) release medial or lateral epicondyle, two percent;

(h) ulnar nerve transposition, two percent.

Sec. 83. [176B.13] [MUSCULO-SKELETAL SCHEDULE; WRIST.]

Subdivision 1. [GENERAL.] Permanent partial disability of wrist is disability of the whole body as set in subdivisions 2 and 3.

Subd. 2. [RANGE OF MOTION.] (a) Excision distal end of ulna, flexion and extension credited with 75 percent of hand, and rotation 25 percent of hand, five percent;

(b) total ankylosis in optimum position, 19 percent;

(c) total ankylosis in mal-position of extreme flexion or extension, 25 percent;

(d) limitation of motion:

(1) mild, rotation normal, loss of 15 degrees palmar flexion and loss of 20 degrees dorsiflexion, five percent;

(2) moderate, rotation limited to 60 degrees in pronation-supination, loss of 25 degrees palmar flexion, loss of 30 degrees dorsiflexion, ten percent; or

(3) severe, rotation limited to 30 degrees in pronation-supination, palmar flexion less than 25 degrees, dorsi-flexion less than 30 degrees, 15 percent.

Subd. 3. [PROCEDURE OR CONDITIONS.] (a) Colles/Smith, extraarticular:

(1) no loss of motion, zero percent;

(2) mild loss of motion as defined in subdivision 2, paragraph (d), clause (1), three percent.

(b) Colles/Smith/Barton, intraarticular.

(1) no loss of motion, zero percent;

(2) mild loss of motion as defined in subdivision 2, paragraph (d), clause (1), six percent;

(3) moderate loss of motion as defined in subdivision 2, paragraph (d), clause (2), ten percent.

(c) Carpal bone fracture, no loss of motion, three percent.

(d) Carpal dislocation, mild loss of motion as defined in subdivision 2, paragraph (d), clause (1), six percent.

(e) Carpal tunnel release, 0.5 percent.

(f) Carpal tunnel release with moderate paresthesias, three percent.

(g) DeQuervain's release, zero percent.

(h) *Ganglion excision, zero percent.*

(i) *Scaphoid graft, three percent.*

Sec. 84. [176B.14] [MUSCULO-SKELETAL SCHEDULE;
FINGERS.]

Subdivision 1. [GENERAL.] Permanent partial disability of fingers is a disability of the whole body as set in subdivision 2.

Subd. 2. [ANKYLOSIS OF JOINTS.] (a) Thumb.

(1) *Total ankylosis interphalangeal joint:*

(i) *optimum position, zero to 15 degrees, eight percent;*

(ii) *mal-position, flexion greater than 15 degrees, 14 percent.*

(2) *Total ankylosis metacarpophalangeal joint:*

(i) *optimum position, up to 25 degree flexion, 10.5 percent;*

(ii) *mal-position, flexion greater than 25 degrees, 14 percent.*

(3) *Total ankylosis both interphalangeal and metacarpophalangeal joints:*

(i) *optimum position, 16 percent;*

(ii) *mal-position, 18 percent.*

(4) *Total ankylosis carpometacarpal joint alone:*

(i) *optimum position, four percent;*

(ii) *mal-position, eight percent.*

(5) *Total ankylosis interphalangeal, metacarpophalangeal, and carpometacarpophalangeal joints:*

(i) *optimum position, 19 percent;*

(ii) *mal-position, 21 percent.*

(6) *Limitation of motion, thumb:*

(i) *mild, total closing motion tip of digit, can flex to touch palm, and extend to 15 degrees flexion, strength of grip normal, three percent;*

(ii) moderate, total closing motion, tip of digit, lacks 1/2 inch of touching palm and can extend to 30 degrees flexion, six percent;

(iii) severe, total closing motion tip of digit lacks one inch of touching palm and can extend to 45 degrees flexion, nine percent.

(b) Digits other than thumb.

(1) to rate any digit excluding the thumb, find the appropriate descriptive category in paragraph (a), then multiply the rating by the following factor for the involved digit:

(i) index finger, multiply by 0.6;

(ii) middle finger, multiply by 0.5;

(iii) ring finger, multiply by 0.25;

(iv) little finger, multiply by 0.125.

(2) Total ankylosis of distal interphalangeal joint, multiply rating in (i) or (ii) by multiplier for involved digit in clause (1).

(i) optimum position, 5.5 percent;

(ii) mal-position, flexed 35 degrees or more, eight percent.

(c) soft tissue loss, isolated soft tissue loss of the end of digit greater than one centimeter, 20 percent of the disability to the whole body for amputation of that digit as set forth at section 176B.08.

Sec. 85. [176B.15] [MUSCULO-SKELETAL SCHEDULE; AMPUTATIONS OF LOWER EXTREMITIES.]

For permanent partial disability due to amputation of lower extremities the disability of the whole body is:

(a) hemipelvectomy, 50 percent;

(b) disarticulation at hip joint, 40 percent;

(c) amputation above knee joint with short thigh stump, three inch or less below tuberosity of ischium, 40 percent;

(d) amputation above knee joint with functional stump, 36 percent;

(e) disarticulation at knee joint, 36 percent;

(f) *amputation below knee joint with short stump, three inch or less below intercondular notch, 36 percent;*

(g) *amputation below knee joint with functional stump, 28 percent;*

(h) *amputation at ankle, Syme type, 28 percent;*

(i) *partial amputation of foot, Chopart's type, 21 percent;*

(j) *mid-metatarsal amputation, 14 percent;*

(k) *amputation of all toes at metatarsophalangeal joints, eight percent;*

(l) *amputation of great toe;*

(1) *with resection of metatarsal bone, eight percent;*

(2) *at metatarsophalangeal joint, five percent;*

(3) *at interphalangeal joint, four percent;*

(m) *amputation of lesser toe, 2nd-5th:*

(1) *with resection of metatarsal bone, two percent;*

(2) *at metatarsophalangeal joint, one percent;*

(3) *at proximal interphalangeal joint, zero percent;*

(4) *at distal interphalangeal joint, zero percent.*

Sec. 86. [176B.16] [MUSCULO-SKELETAL SCHEDULE; NERVE INJURY OR MOTOR AND SENSORY LOSS, LOWER EXTREMITIES.]

Subdivision 1. [TOTAL LOSS.] Total loss means that motor function is less than anti-gravity and there is complete loss of sensation. For loss to the lower extremities resulting from nerve injury, and where there is total loss of function for those particular portions of the body, the disability of the whole body is:

(a) *femoral, anterior crural, 13 percent;*

(b) *femoral, anterior crural, below iliacus nerve, 11 percent;*

(c) *genitofemoral, genito crural, two percent;*

- (d) *inferior gluteal, nine percent;*
- (e) *lateral femoral cutaneous, three percent;*
- (f) *posterior cutaneous of thigh, two percent;*
- (g) *superior gluteal, seven percent;*
- (h) *sciatic, above hamstring innervation, 31 percent;*
- (i) *common peroneal, lateral, or external popliteal, 13 percent;*
- (j) *deep peroneal, above midshin, nine percent;*
- (k) *deep peroneal, below midshin, anterior tibial, two percent;*
- (l) *superficial peroneal, five percent;*
- (m) *tibial nerve, medial, or internal popliteal:*
 - (1) *above knee, 15 percent;*
 - (2) *posterior tibial, midcalf and knee, 11 percent;*
 - (3) *below midcalf, nine percent;*
 - (4) *lateral plantar branch, three percent; or*
 - (5) *medial plantar branch, three percent;*
- (n) *sural, external saphenous, one percent;*
- (o) *L-4 nerve root, 11 percent;*
- (p) *L-5 nerve root, 13 percent;*
- (q) *S-1 nerve root, 15 percent; or*
- (r) *Lumbosacral plexus, 40 percent.*

Subd. 2. [PARTIAL LOSS.] Partial loss means that motor function is less than normal but greater than anti-gravity, and there is incomplete sensory loss. Partial loss is rated at 25 percent of the percentages assigned at subdivision 1.

Sec. 87. [176B.17] [MUSCULO-SKELETAL SCHEDULE; JOINTS.]

Subdivision 1. [GENERAL.] For permanent partial disability of joints, disability of the whole body is set forth in subdivisions 2 to 9.

Subd. 2. [SURGICAL OR TRAUMATIC SHORTENING OF LOWER EXTREMITY.] (a) 1/4 inch to 3/4 inch, three percent;

(b) 3/4 to 1-1/4 inches, 4.5 percent;

(c) 1-1/4 to 1-3/4 inches, six percent; or

(d) 1-3/4 inches and above, nine percent.

Subd. 3. [HIP.] (a) Range of motion.

(1) limitation of motion:

(i) mild, anterior posterior movement from zero degree to 120 degree flexion, rotation and lateral motion, abduction, adduction free to 50 percent of normal, six percent;

(ii) moderate, anterior posterior motion from 15 degrees flexion deformity to 110 degrees further flexion, rotation, lateral motion, abduction, and adduction free to 25 percent normal, 12 percent;

(iii) severe, anterior posterior motion from 30 degrees flexion deformity to 90 degrees further flexion, 22 percent.

(b) Procedures or conditions:

(1) nonunion proximal femur fracture without reconstruction, 33 percent;

(2) arthroplasty, able to stand at work and walk, motion 25 percent to 50 percent of normal, 18 percent;

(3) total hip arthroplasty, normal result, 13 percent;

(4) femoral endoprosthesis:

(i) minimal pain, near normal range of motion, able to walk unsupported, 15 percent;

(ii) mild to moderate pain with weight bearing, motion 50 percent of normal, 20 percent;

(5) hip pinning for fracture:

(i) *minimal pain, near normal range of motion, able to walk unsupported, five percent;*

(ii) *mild to moderate pain, motion 50 percent of normal, ten percent.*

Subd. 4. [FEMUR.] *Femur:*

(a) *shaft fracture, closed, healed, zero percent;*

(b) *femoral shaft fracture, open reduction, loss of less than 20 degrees of movement of any one plane of either the hip or the knee, no malalignment, two percent.*

Subd. 5. [KNEE.] *Knee:*

(a) *Range of motion:*

(1) *ankylosis and limited motion, total ankylosis optimum position, 15 degrees flexion, 22 percent;*

(2) *limitation of motion:*

(i) *mild, zero degrees to at least 110 degrees flexion, two percent;*

(ii) *moderate, five degrees to at least 80 degrees flexion, seven percent;*

(iii) *severe, five degrees to at least 60 degrees flexion, 15 percent;*

(iv) *extremely severe, limited from 15 degrees flexion deformity with further flexion to 90 degree, 18 percent.*

(b) *Procedures or conditions:*

(1) *surgical removal of medial or lateral semilunar cartilage, more than 50 percent of cartilage removed, no complications, three percent;*

(2) *partial meniscectomy, up to 50 percent of the meniscus removed, two percent;*

(3) *surgical removal both cartilages, nine percent;*

(4) *ruptured cruciate ligament, repaired or unrepaired:*

(i) *mild laxity, three percent;*

(ii) *moderate laxity, seven percent;*

- (iii) *severe laxity, ten percent;*
- (5) *excision of patella, nine percent;*
- (6) *plateau fracture, depressed bone elevated, semilunar excised, nine percent;*
- (7) *plateau fracture, undisplaced, two percent;*
- (8) *supracondylar or intercondylar fracture, displaced, seven percent;*
- (9) *supracondylar or intercondylar fracture, undisplaced, two percent;*
- (10) *patella fracture, open reduction or partial patellectomy, displaced, five percent;*
- (11) *patella fracture, open reduction or partial patellectomy, undisplaced, two percent;*
- (12) *patellar shaving, one percent;*
- (13) *arthroscopy, zero percent;*
- (14) *repair collateral ligament, mild laxity, two percent;*
- (15) *repair collateral ligament, moderate laxity, four percent;*
- (16) *repair patellar dislocation, five percent;*
- (17) *total knee arthroplasty, flexion to 90 degrees, extension to zero degrees, 13 percent;*
- (18) *total knee unicondylar, seven percent;*
- (19) *lateral retinacular release, one percent;*
- (20) *proximal tibial osteotomy, flexion to 90 degrees, extension to zero degrees, five percent.*

Subd. 6. [TIBIA.] *Tibia:*

- (a) *tibial shaft fracture, undisplaced, healed, normal motion and alignment, zero percent;*
- (b) *tibial shaft fracture, open reduction, loss of less than 20 degrees of movement in any one plane in either the knee or the ankle with full knee extension, no malalignment, five percent.*

Subd. 7. [ANKLE AND FOOT.] (a) Range of motion:

(1) total ankylosis ankle and foot, pantalar arthrodesis:

(i) in ten degrees plantar flexion, 15 percent;

(ii) mal-position 30 degrees plantar flexion, 20 percent;

(2) ankylosis of foot, subtalar or triple arthrodesis tarsal bones, ankle, normal motion, 7.5 percent;

(i) decreased motion, subtalar joint, 3.5 percent;

(ii) ankylosis in mal-position, eight percent;

(3) ankylosis of tibia and talus, subtalar joints free, optimum position 15 degrees plantar flexion, 12 percent;

(4) limitation of motion in the ankle:

(i) mild, motion limited from position of 90 degrees right angle to 20 degrees plantar flexion, three percent;

(ii) moderate, motion limited from position of ten degrees flexion to 20 degrees plantar flexion, six percent;

(iii) severe, motion limited from position of 20 degrees plantar flexion to 30 degrees plantar flexion, 12 percent.

(b) Procedures or conditions:

(1) achilles tendon rupture with treatment surgically or non-surgically, able to stand on toes, two percent;

(2) achilles tendon rupture with treatment surgically or non-surgically, unable to sustain body weight on toes, four percent;

(3) open reduction ankle:

(i) normal range of motion:

(A) medial malleolus only, two percent;

(B) lateral malleolus only, two percent;

(ii) normal to mild restriction on range of motion:

(A) medial and lateral malleolus, four percent;

(B) trimalleolar, four percent;

(iii) *for moderate to severe restriction of range of motion in the ankle, rate as in paragraph (a), clause (4);*

(4) *ankle, lateral ligament reconstruction, mild laxity, normal range of motion, two percent;*

(5) *ankle, lateral ligament reconstruction, moderate laxity, at least ten degrees greater widening on the Talar tilt stress test X-ray compared to the uninjured side, three percent.*

Subd. 8. [FOOT.] (a) Range of motion:

(1) *ankylosis of tarsal metatarsal or mild tarsal joints:*

(i) *normal position, 2.5 percent;*

(ii) *mal-position, five percent;*

(2) *limited motion in the foot:*

(i) *mild, limited motion with mild pain with weight bearing, no change in activities, 2.5 percent;*

(ii) *moderate, limitation of motion with pain with weight bearing, no reduction in athletic or vigorous activities, five percent;*

(iii) *severe, limitation of motion with pain with weight bearing, sedentary activities not affected, ten percent;*

(b) *Procedures or conditions:*

(1) *calcaneal fracture, extra articular, pain with weight bearing, six percent;*

(2) *calcaneal fracture, intra articular:*

(i) *mild limitation of motion as in paragraph (a), clause (2) (i), six percent;*

(ii) *moderate limitation of motion as in paragraph (a), clause (2) (ii), 12 percent;*

(iii) *severe limitation of motion as in paragraph (a), clause (2) (iii), 18 percent;*

(3) *avascular necrosis talus:*

(i) *mild limitation of motion as in paragraph (a), clause (2) (i), six percent;*

(ii) moderate limitation of motion as in paragraph (a), clause (2) (i), 12 percent;

(iii) severe limitation of motion as in paragraph (a), clause (2) (iii), 18 percent;

(4) tarsal fractures, healed, mild pain, three percent;

(5) metatarsal fractures, healed, zero percent;

(6) pharyngeal fractures, healed, zero percent.

Subd. 9. [TOES.] (a) Complete ankylosis of metatarsophalangeal joint, any toe, three percent;

(b) complete ankylosis any toe, interphalangeal joint, optimum position semi-flexion, one percent.

Sec. 88. [176B.18] [RESPIRATORY SYSTEM.]

Subdivision 1. [EVALUATION PROCEDURES.] The procedures used in evaluating permanent partial disability of the respiratory system shall include the following:

(a) complete history and physical examination with special reference to cardiopulmonary symptoms and signs;

(b) chest roentgenography (posteroanterior in full inspiration, posteroanterior in full expiration timed, three seconds, lateral);

(c) hematocrit or hemoglobin determination;

(d) electrocardiogram;

(e) performance of the following tests of ventilation:

(1) one second forced expiratory volume (FEV1), expressed as a percentage of the normal values set forth in the A.M.A. Guides, pages 69 and 71;

(2) forced vital capacity (FVC), expressed as a percentage of the normal values set forth in the A.M.A. Guides, pages 70 and 72.

(f) diffusing capacity studies must be performed when complaints of dyspnea continue unabated in spite of forced spirometric measurement results above the cut-off limits.

Subd. 2. [MEASUREMENT OF RESPIRATORY LOSS OF FUNCTION.] Table 1 shall be used to calculate the percentage

of disability of the whole body due to permanent partial disability of the respiratory system.

TABLE 1

Symptoms	Forced Spirometry Measurements 1/2 (FEV1 + FVC) (Test three times)	Diffusing Capacity*	Percent Disability of Whole Body
When dyspnea occurs, is consistent with the circumstances of activity.	Not less than 85 percent of normal	Not Applicable	0
Dyspnea does not occur at rest and seldom occurs during the performance of the usual activities of daily living.	70 to 85 percent of normal	Not Applicable	15
Dyspnea does not occur at rest but does occur during the usual activities of daily living.	50 to 70 percent of normal	Usually Not Applicable	30
Dyspnea occurs during activities such as climbing one flight of stairs or walking one block on the level.	25 to 50 percent of normal	40 percent or less of normal	60
Confined to bed and oxygen dependent.	Less than 25 percent of normal	20 percent or less of normal	85

*The diffusing capacity studies must be performed when complaints of dyspnea continue unabated in spite of forced spiro-

metric measurement results above the cut-off limits set forth in Table 1.

Subd. 3. [ASTHMA.] Asthma which is not medically controllable and which requires at least six hospitalizations in 12 months, 25 percent.

Subd. 4. [DEVELOPMENT OF A PERMANENT SENSITIZATION TO A SPECIFIC ALLERGEN AS A RESULT OF AN OCCUPATIONAL EXPOSURE.] The sensitization is documented by objective tests such as skin testing or radioallergo-sorbent assays and objective physical findings of reactive airway disease, such as a reversible decrease of FEV₁, or vital capacity of 15 percent or more following exposure to the allergen.

(a) The sensitization preexisted the occupational exposure, 1 percent.

(b) The allergen is uncommon, and is not normally encountered in most workplaces or homes, two percent.

(c) The allergen is found in some workplaces but can be avoided by selective job placement. Normal activities of daily living do not result in exposure to the allergen, four percent.

(d) The allergen is commonly encountered in most homes or in workplaces, and repeated exposure is likely, eight percent.

(e) Asthma which is not medically controllable and which requires at least six hospitalizations in 12 months, 25 percent.

Sec. 89. [176B.19] [ORGANIC HEART DISEASE.]

Subdivision 1. [GENERAL.] For permanent partial disability due to organic heart disease, the disability of the whole body is set forth in subdivision 2.

Subd. 2. [HEART RATINGS.] The following ratings may be applied only after a compilation of a patient's complete history and a physical examination. Testing must include chest X-ray and electrocardiogram. The testing may include echocardiography, exercise testing, and radionuclide studies.

The following table sets forth symptoms of organic heart disease. The percentage of disability of the whole body is determined by the symptoms present.

Organic Heart Disease Schedule

<i>Percentage Disability of Whole Body</i>	<i>10 percent</i>	<i>30 percent</i>	<i>60 percent</i>	<i>85 percent</i>
<i>Organic Heart Disease</i>	<i>Present</i>	<i>Present</i>	<i>Present</i>	<i>Present</i>
<i>Symptoms</i>	<i>Not present</i>	<i>Not present at rest</i>	<i>Not present at rest</i>	<i>Present at rest</i>
<i>Level of activity causing symptoms</i>	<i>No symptoms from usual activities of daily living, including such activities as stair- or hill-climbing, and walking</i>	<i>No symptoms from usual activities of daily living</i>	<i>Symptoms from a one or more block walk or from climbing stairs. Symptoms also from activities of daily living</i>	<i>Worsening of symptoms with any activity</i>
<i>Level of unusual activity causing symptoms</i>	<i>No symptoms from walking quickly, recreation, hill- or stair-climbing, arm-work, and similar activities</i>	<i>Symptoms from hill- or stair-climbing, walking quickly, arm-work, or recreation</i>	<i>Symptoms from emotional stress, walking quickly, and similar activities</i>	<i>May be present at rest or may awaken patient</i>
<i>Signs of heart failure</i>	<i>No</i>	<i>No</i>	<i>Relieved by therapy</i>	<i>Not usually relieved by therapy</i>
<i>Signs of symptoms of angina</i>	<i>No</i>	<i>With prolonged or severe exertion</i>	<i>With mild exertion</i>	<i>Rest or nocturnal symptoms</i>

<i>Objective tests of functional status</i>	<i>Ischemic S-T segment changes of at least 1 mm at or before stage 3 of a Bruce protocol exercise test, or diagnostic ischemic changes at a level of 7 METS or less in a nuclear isotope exercise study</i>	<i>Ischemic S-T segment changes of at least 1 mm at or before stage 2 of a Bruce protocol exercise test, or diagnostic ischemic changes at a level of 4 METS or less in a nuclear isotope exercise study</i>	<i>Ischemic S-T segment changes of at least 1 mm at or before stage 1 of a Bruce protocol exercise test, or diagnostic ischemic changes at a level of 2 METS or less in a nuclear isotope exercise study</i>	<i>Diagnostic ischemic S-T segment changes of at least 1 mm on resting electrocardiogram</i>
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Sec. 90. [176B.20]. [VASCULAR DISEASE AFFECTING EXTREMITIES.]

The following schedule shall be used to determine the percentage of disability of the whole body for permanent partial disability due to vascular disease. Permanent partial disability from vascular disease affecting the extremities must be rated according to the following classifications. The system shall be used only after a complete history and physical examination. The full evaluation shall include imaging examination (X-ray with and without contrast, computer axial tomography scanning, sonography, radionuclide studies) volume studies, or flow studies.

(a) Vascular disease schedule, lower extremities.

		<i>Percentage of Disability of Whole Body</i>				
		<i>0%</i>	<i>10%</i>	<i>30%</i>	<i>60%</i>	<i>90%</i>
<i>Intermittent claudication distance</i>	<i>No</i>		<i>Approx. one city block</i>	<i>Approx. 1/4 city block</i>	<i>Less than 1/4 city block</i>	<i>Constant pain</i>
<i>Pain at rest</i>	<i>No</i>	<i>No</i>	<i>No</i>	<i>No</i>	<i>Sometimes</i>	<i>Constant</i>

<i>Physical signs of diagnosis</i>	<i>None No ulceration</i>	<i>Healed, painless stump, or healed ulcer</i>	<i>Healed stump but persistent signs of activity, or persistent superficial ulcer</i>	<i>Amputation above wrist or ankle with continued sign of disease, or widespread deep ulcer</i>	<i>Amputation above wrist or ankle in more than one limb, or wide, deep ulceration of more than one limb</i>
<i>Edema</i>	<i>Rare and transient</i>	<i>Persistent, incompletely controlled</i>	<i>Very severe and only partially controlled</i>	<i>Marked and uncontrollable</i>	<i>Marked and uncontrollable</i>

(b) *Peripheral vascular disease, upper extremities.*

(1) *Class 1. The following findings are present: Decreased pulse or pulses; minimal loss of subcutaneous tissue of fingertips; calcification of arteries as detected by radiographic examination or Raynaud's phenomenon that occurs with exposure to temperature lower than zero degrees centigrade (32 degrees Fahrenheit) but is readily controlled by medication; zero percent.*

(2) *Class 2. Objective signs of vascular damage as evidenced by findings such as that of a healed, painless stump of an amputated digit showing evidence of persistent vascular disease, or of a healed ulcer; and Raynaud's phenomenon occurs on exposures lower than four degrees centigrade (39 degrees Fahrenheit) but is controlled by medication, ten percent.*

(3) *Class 3. Objective signs of vascular damage as evidenced by healed amputation of two or more digits of one extremity, with evidence of persisting vascular disease or superficial ulceration; and Raynaud's phenomenon occurs on exposure to temperatures lower than ten degrees centigrade (50 degrees Fahrenheit) and it is only partially controlled by medication; 30 percent.*

(4) *Class 4. Objective evidence of vascular damage as evidenced by signs such as amputation of two or more digits of two extremities with evidence of persistent vascular disease, or persistent widespread or deep ulceration involving one*

extremity; and Raynaud's phenomenon occurs on exposure to temperatures lower than 15 degrees centigrade (59 degrees Fahrenheit) and is only partially controlled by medication; 54 percent.

Sec. 91. [176B.21] [GASTROINTESTINAL TRACT.]

Subdivision 1. [GENERAL.] The following schedule is for the evaluation of permanent partial disability of the gastrointestinal tract. The evaluation must include a thorough history and physical examination. Additional studies, such as radiographic, metabolic, absorptive, endoscopic, and biopsy may be necessary to determine the functioning of these organs. Disability shall not be determined until after completion of all medically accepted diagnostic and therapeutic efforts. The percentages indicated in this schedule are the disability of the whole body for the corresponding class.

For evaluative purposes, the digestive tract has been divided into

- (1) the esophagus, stomach, duodenum, small intestine, and pancreas,*
- (2) the colon and rectum,*
- (3) the anus, and*
- (4) the liver and biliary tract.*

Subd. 2. [UPPER DIGESTIVE TRACT (ESOPHAGUS, STOMACH, DUODENUM, SMALL INTESTINE, AND PANCREAS).] (a) Class 1, 2 percent.

(1) Symptoms or signs of upper digestive tract disease are present and there is anatomic loss or alteration; continuous treatment is not required; and weight can be maintained at the desirable level; or

(2) There are no complications after surgical procedures.

(b) Class 2, 15 percent. Symptoms and signs of organic upper digestive tract disease are present or there is anatomic loss or alteration; dietary restriction and drugs are required for control of symptoms, signs, or nutritional deficiency; and loss of weight below the desirable weight does not exceed ten percent.

(c) Class 3, 35 percent.

(1) symptoms and signs of organic upper digestive tract disease are present or there is anatomic loss or alteration; and

dietary restrictions and drugs do not completely control symptoms, signs, or nutritional state; or

(2) there is ten to 20 percent loss of weight below the desirable weight and the weight loss is ascribable to a disorder of the upper digestive tract.

(d) Class 4, 65 percent.

(1) symptoms and signs of organic upper digestive tract disease are present or there is anatomic loss or alteration; and symptoms are not controlled by treatment; or

(2) there is greater than a 20 percent loss of weight below the desirable weight and the weight loss is ascribable to a disorder of the upper digestive tract.

Subd. 3. [COLON AND RECTUM.] (a) Class 1, two percent:

(1) signs and symptoms of colonic or rectal disease are infrequent;

(2) limitation of activities, special diet, or medication is not required; no systemic manifestations are present and weight and nutritional state can be maintained at a desirable level; or

(3) there are no complications after surgical procedures.

(b) Class 2, 15 percent. There is objective evidence of colonic or rectal disease and anatomic loss or alteration. There are mild gastrointestinal symptoms with intermittent disturbance of bowel function, accompanied by periodic or continual pain. Minimal restriction of diet or mild symptomatic therapy may be necessary. No impairment of nutrition results.

(c) Class 3, 30 percent. There is objective evidence of colonic or rectal disease and anatomic loss or alteration; there are moderate to severe exacerbations with disturbance of bowel habit, accompanied by periodic or continual pain; restriction of activity, special diet and drugs are required during attacks; and there are constitutional manifestations such as fever, anemia, or weight loss.

(d) Class 4, 50 percent. There is objective evidence of colonic and rectal disease or anatomic loss or alteration; there are persistent disturbances of bowel function present at rest with severe persistent pain; complete limitation of activity, continued restriction of diet, and medication do not entirely control the symptoms; there are constitutional manifestations

such as fever, weight loss, or anemia present; and there is no prolonged remission.

Subd. 4. [ANUS.] (a) Class 1, two percent. Signs of organic anal disease are present or there is anatomic loss or alteration; or there is mild incontinence involving gas or liquid stool; or anal symptoms are mild, intermittent, and controlled by treatment.

(b) Class 2, 12 percent. Signs of organic anal disease are present or there is anatomic loss or alteration; and moderate but partial fecal incontinence is present requiring continual treatment; or continual anal symptoms are present and incompletely controlled by treatment.

(c) Class 3, 22 percent.

(1) signs of organic anal diseases are present and there is anatomic loss or alteration; and complete fecal incontinence is present; or

(2) signs of organic anal disease are present and severe anal symptoms are unresponsive or not amenable to therapy.

Subd. 5. [LIVER AND BILIARY TRACT.] (a) Class 1, five percent.

(1) There is objective evidence of persistent liver disease even though no symptoms of liver disease are present; and no history of ascites, jaundice, or bleeding esophageal varices within five years; nutrition and strength are normal; and biochemical studies indicate minimal disturbance of the liver function; or

(2) Primary disorders of bilirubin metabolism are present.

(b) Class 2, 20 percent. There is objective evidence of chronic liver disease even though no symptoms of liver disease are present; and no history of ascites, jaundice, or bleeding esophageal varices within five years; nutrition and strength are normal; and biochemical studies indicate more severe liver damage than Class 1.

(c) Class 3, 40 percent. There is objective evidence of progressive chronic liver disease, or history of jaundice, ascites, or bleeding esophageal or gastric varices within the past year; nutrition and strength may be affected; and there is intermittent ammonia and meat intoxication.

(d) Class 4, 75 percent. There is objective evidence of progressive chronic liver disease, or persistent ascites or persistent jaundice or bleeding esophageal or gastric varices, with central

nervous system manifestations or hepatic insufficiency; and nutrition state is below normal.

Subd. 6. [BILIARY TRACT.] (a) Class 1, five percent. There is an occasional episode of biliary tract dysfunction.

(b) Class 2, 20 percent. There is recurrent biliary tract impairment irrespective of treatment.

(c) Class 3, 40 percent. There is irreparable obstruction of the bile tract with recurrent cholangitis.

(d) Class 4, 75 percent. There is persistent jaundice and progressive liver disease due to obstruction of the common bile duct.

Sec. 92. [176B.22] [REPRODUCTIVE AND URINARY TRACT SCHEDULE.]

Subdivision 1. [GENERAL.] This section sets percentage of disability of the whole body for permanent partial disability of the reproductive and urinary systems. The percentages indicated in this section are the disability of the whole body for the corresponding class.

Subd. 2. [EVALUATIVE PROCEDURES.] For evaluative purposes the reproductive and urinary systems are divided into the: (1) upper urinary tract, (2) bladder, (3) urethra, (4) male reproductive organs, and (5) female reproductive organs.

Procedures for evaluating permanent partial disability of the genitourinary and reproductive systems shall include:

(a) a complete history and physical examination with special reference to genitourinary/reproductive symptoms and signs, including psychological evaluation when indicated by the symptoms;

(b) laboratory tests to identify the presence or absence of associated disease. The tests may include multi-channel chemistry profile, complete blood count, complete urinalysis, including microscopic examination of centrifuged sediment, chest X-ray, both posterior/anterior and left lateral views, electrocardiogram, performance of a measurement of total renal functions—endogenous creatinine clearance corrected for total body surface area. Other tests may include:

(1) kidney function tests, such as arterial blood gases and determinations of other chemistries that would reflect the metabolic effects of decreased kidney function;

(2) *special examinations such as cystoscopy, voiding cystograms, cystometrograms;*

(3) *a description of the anatomy of the reproduction or urinary system;*

(4) *urodynamics, specifically cystometry combined with electromyography of the external urethral sphincter to evaluate for presumed upper or lower motor neuron neurogenic bladder; and*

(5) *nocturnal penile tumescence monitoring with paper or computer printout that displays frequency, duration, and, whenever possible, rigidity of erections.*

Subd. 3. [UPPER URINARY TRACT.] (a) Solitary kidney, ten percent. This category shall apply only when a solitary kidney is the only upper urinary tract permanent partial disability. When a solitary kidney occurs in combination with any one of the following four classes, the disability rating for that class shall be increased by ten percent.

(b) Class 1, five percent. Diminution of kidney function as evidenced by a creatinine clearance of 50 to 70 percent of age and sex adjusted normal values, other underlying causes absent.

(c) Class 2, 22 percent. Diminution of the upper urinary tract function as evidenced by a creatinine clearance of 40 to 50 percent of age and sex adjusted normal values, no other underlying disease.

(d) Class 3, 47 percent. Diminution of upper urinary tract function, as evidenced by creatinine clearance of 25 to 40 percent of age and sex adjusted normal values.

(e) Class 4, 77 percent. Diminution of upper urinary tract function as evidenced by creatinine clearance below 25 percent of age and sex adjusted normal values.

Subd. 4. [BLADDER.] (a) Class 1, five percent. Symptoms and signs of bladder disorder requiring intermittent treatment, but without evidence of intervening malfunction between periods of treatments or symptomatology.

(b) Class 2, 15 percent. Symptoms and signs of bladder disorder requiring continuous treatment, or there is bladder reflex activity but loss of voluntary control.

(c) Class 3, 20 percent. Poor reflex activity evidenced by intermittent dribbling, and no voluntary control.

(d) Class 4, 30 percent. Continuous dribbling.

Subd. 5. [URETHRA.] (a) Class 1, two percent. Symptoms and signs of urethral disorder are present which require intermittent therapy for control.

(b) Class 2, 15 percent. Symptoms and signs of urethral disorder that cannot be effectively controlled by treatment.

Subd. 6. [PENIS.] (a) Class 1, ten percent. Impaired sexual function but vaginal penetration is possible, with supporting objective evidence of abnormal penile tumescence studies to substantiate impaired tumescence or rigidity.

(b) Class 2, 20 percent. Impaired sexual function and vaginal penetration is not possible, with supporting objective evidence of insufficient penile tumescence or rigidity.

(c) Psychogenic impotence, zero percent.

Subd. 7. [TESTES, EPIDIDYMIDES, AND SPERMATIC CORDS.] (a) Class 1, five percent.

(1) symptoms and signs of testicular, epididymal, or spermatic cord disease are present and there is anatomic alteration; and

(2) continuous treatment is not required; and

(3) there are no abnormalities of seminal or hormonal functions; or

(4) solitary teste is present.

(b) Class 2, ten percent.

(1) symptoms and signs of testicular, epididymal or spermatic cord disease are present and there is anatomic alteration; and

(2) frequent or continuous treatment is required; and

(3) there are detectable seminal or hormonal abnormalities.

(c) Class 3, 20 percent. Trauma or disease produces bilateral anatomical loss or there is no detectable seminal or hormonal function of testes, epididymides, or spermatic cords.

(d) Inguinal hernia, direct or indirect, unilateral or bilateral, recurrent after two or more herniorrhaphies, five percent.

Subd. 8. [PROSTATE AND SEMINAL VESICLES.] (a) Class 1, five percent.

(1) *there are symptoms and signs of prostatic or seminal vesicular dysfunction or disease;*

(2) *anatomic alteration is present; and*

(3) *continuous treatment is not required.*

(b) *Class 2, ten percent.*

(1) *frequent severe symptoms and signs of prostatic or seminal vesicular dysfunction or disease are present; and*

(2) *anatomic alteration is present; and*

(3) *continuous treatment is required.*

(c) *Class 3, 20 percent. There has been ablation of the prostate or seminal vesicles.*

Subd. 9. [VULVA AND VAGINA.] (a) Class 1, ten percent. Impaired sexual function but penile containment is possible.

(b) *Class 2, 20 percent. Impaired sexual function and penile containment is not possible.*

Subd. 10. [CERVIX AND UTERUS.] (a) Class 1, five percent.

(1) *symptoms and signs of disease or deformity of the cervix or uterus are present which do not require continuous treatment; or*

(2) *cervical stenosis, if present, requires no treatment; or*

(3) *there is anatomic loss of the cervix or uterus in the post-menopausal years.*

(b) *Class 2, ten percent.*

(1) *symptoms and signs of disease or deformity of the cervix or uterus are present which require continuous treatment; or*

(2) *cervical stenosis, if present, requires periodic treatment.*

(c) *Class 3, 20 percent.*

(1) *symptoms and signs of disease or deformity of the cervix or uterus are present which are not controlled by treatment; or*

(2) *cervical stenosis is complete; or*

(3) *anatomic or complete functional loss of the cervix or uterus occurs in premenopausal years.*

Subd. 11. [FALLOPIAN TUBES AND OVARIES.] (a) Class 1, five percent.

(1) *symptoms and signs of disease or deformity of the fallopian tubes or ovaries are present which do not require continuous treatment; or*

(2) *only one fallopian tube or ovary is functioning in the premenopausal years.*

(b) *Class 2, ten percent. Symptoms and signs of disease or deformity of the fallopian tubes or ovaries are present which require continuous treatment, but tubal patency persists and ovulation is possible.*

(c) *Class 3, 20 percent.*

(1) *symptoms and signs of disease or deformity of the fallopian tubes or ovaries are present and there is total loss of tubal patency or total failure to produce ova in the premenopausal years; or*

(2) *bilateral loss of the fallopian tubes or ovaries occurs in the premenopausal years.*

Sec. 93. [176B.23] [SKIN DISORDERS.]

Permanent partial disability resulting from skin disorders are a disability of the whole body as set forth in this section. This schedule is based upon the effect of the disorder on the ability to function and perform activities of daily living and the degree of treatment required for the disorder. The schedule is not based upon the location or the percentage of the body affected by a specific skin disorder. Impairment due to burns shall be rated under section 176B.24 and not under this schedule.

(a) *Class 1, two percent. Signs or symptoms of skin disorder are present and supported by objective skin findings. With treatment there is no or minimal limitation in the performance of the activities of daily living, although certain physical or chemical agents might temporarily increase the extent of limitation.*

(b) *Class 2, ten percent. Signs and symptoms of skin disorder are present and intermittent treatment is required. There is limitation in the performance of some of the activities of daily living.*

(c) *Class 3, 20 percent. Signs and symptoms of skin disorder are present. Continuous treatment is required. There is limitation in the performance of many of the activities of daily living.*

(d) *Class 4, 45 percent. Signs and symptoms of skin disorder are present. Continuous treatment is required which may include periodic confinement at home or other domicile. There is limitation in the performance of many of the activities of daily living.*

(e) *Class 5, 70 percent. Signs and symptoms of skin disorder are present. Continuous treatment is required which necessitates confinement at home or other domicile. There is severe limitation in the performance of nearly all of the activities of daily living.*

Sec. 94. [176B.24] [BURNS.]

Subdivision 1. [GENERAL.] The whole body disability due to burns is not equal to the percent of body surface area which is burned. The percentage of body surface area affected must be determined according to Lund and Browder. The ratings determined under subdivisions 1 to 4 must be combined as set forth at section 176.105, subdivision 4, provided that the maximum disability to the whole body under this schedule must not exceed 70 percent. Loss of motion or body parts except the face must be rated under the musculoskeletal schedules and must not be considered as included in a rating under this section unless specifically provided otherwise.

Subd. 2. [BURNS OTHER THAN ELECTRICAL CONDUCTION.] A rating under this section is the rating assigned by paragraphs (a) to (f) combined as provided in section 176.105, subdivision 4:

(a) *Any burn that heals within one month and leaves no hypertrophic scar, zero percent.*

(b) *Cold intolerance of the hands, face, or head as evidenced by the wearing of heavy gloves or additional scarves at 35 degrees Fahrenheit; a scar of at least ten square centimeters must be present for an affected member to be rated under this clause:*

- (1) *dominant hand, four percent;*
- (2) *nondominant hand, three percent;*
- (3) *both hands, six percent;*
- (4) *face, three percent; or*
- (5) *face and both hands, ten percent.*

(c) Heat intolerance is evidenced by fatigue, malaise, nausea, and an oral temperature of at least 100 degrees Fahrenheit upon exposure to an environmental temperature of 90 degrees Fahrenheit at 60 percent relative humidity, five percent.

(d) Sensitivity to sun exposure as evidenced by the need to cover the skin or use sun screen to prevent sunburn; a scar of at least ten square centimeters must be present for an affected member to be rated under this clause:

- (1) dominant hand, four percent;
- (2) nondominant hand, three percent;
- (3) both hands, six percent;
- (4) face, three percent; or
- (5) face and both hands, ten percent.

(e) Sensitivity to dust, chemical, or petroleum exposure; altered sweating; or apocrine gland dysfunction. For one or any combination of these conditions, the whole body disability is:

(1) If the sensitivity affects less than five percent of the body surface area, zero percent.

(2) If the sensitivity affects five to 20 percent of the body surface area, two percent.

(3) If the sensitivity affects 20 percent or more of the body surface area, three percent.

(f) Sensory loss due to burns:

(1) Loss of sensation on palmar surface of hands shall be rated as provided by section 176B.09, subdivision 3.

(2) Sensory loss in less than five percent of the body surface area, zero percent.

(3) Sensory loss in five to 20 percent of the body surface area, two percent.

(4) Sensory loss in more than 20 percent of the body surface area, five percent.

Subd. 3. [ELECTRICAL CONDUCTION INJURIES.] (a) Associated sensory loss and concomitant thermal injuries must be rated as provided in subdivision 1.

(b) *Peripheral nerve deficits must be rated as provided in the musculoskeletal schedule.*

The ratings under paragraphs (a) and (b) must be combined in the manner set forth at section 176.105, subdivision 4.

Subd. 4. [COSMETIC DISFIGUREMENT.] This subdivision applies to disfigurement on the face, the head, the neck, or the hands due to burns. Where there is surgery, this rating is done after correction by plastic surgery. The final rating under this schedule shall not be done until hypertrophic scarring is matured or more than 24 months after the injury. The ratings under the items of this section must be combined in the manner set forth at section 176.105, subdivision 4.

(a) *The face is the anterior head from the forehead, to and including the chin.*

(1) *Loss of facial features:*

(i) *Deformity of nasal tip or deformity, thinning, or eversion of ala nasi, five percent.*

(ii) *Loss of more than 50 percent of nasal cartilage or of both ala nasi, 25 percent.*

(2) *Eyes:*

(i) *Loss of one eyebrow, 2.5 percent.*

(ii) *Loss of two eyebrows, five percent.*

(iii) *Ectropion unaccompanied by visual impairment:*

(A) *Lower lid pulled from eye when mouth is opened and neck extended, five percent.*

(B) *Lower lid pulled away with no movement of face or neck, ten percent.*

(C) *Cornea unprotected when sleeping, 15 percent.*

(iv) *Epiphora unaccompanied by visual impairment, ten percent.*

(3) *Mouth. A rating under this clause is the arithmetic sum of clause (3)(i) to (3)(iv).*

(i) *Noncongenital microstomia or distortion affecting eating and dental hygiene, ten percent.*

- (ii) *Eversion of the upper lip, 7.5 percent.*
 - (iii) *Eversion of the lower lip, 7.5 percent.*
 - (iv) *Distortion of vermillion border, ten percent.*
 - (4) *Ear. Loss of 75 percent or more of one external ear, five percent.*
 - (5) *Hypertrophic scarring of face in areas other than those covered in clauses (1) to (4):*
 - (i) *Affecting only forehead above the eyebrows, ten percent.*
 - (ii) *Affecting the lower face from eyebrows to chin, 25 percent.*
 - (iii) *Affecting both the forehead above the eyebrows and the lower face from the eyebrows to chin, 35 percent.*
 - (6) *Wrinkling of face in areas other than those covered in clauses (1) to (5), one-third of percentages in clause (5).*
 - (b) *Head, Alopecia:*
 - (1) *Anterior hairline:*
 - (i) *Loss of less than 20 percent of hair on anterior hairline, zero percent.*
 - (ii) *Loss of 20 to 50 percent of hair on anterior hairline, two percent.*
 - (iii) *Loss of more than 50 percent of hair on anterior hairline, three percent.*
 - (2) *Elsewhere on head and not affecting anterior hairline:*
 - (i) *Loss of zero to 15 percent of hair, zero percent.*
 - (ii) *Loss of 15 to 30 percent of hair, one percent.*
 - (iii) *Loss of 20 to 50 percent of hair, two percent.*
 - (iv) *Loss of more than 50 percent of hair, three percent.*
- The ratings under clauses (1) and (2) must be combined as set forth in section 176.105, subdivision 4.*
- (c) *The anterior neck extends from the ear lobule anteriorly to the ear lobule and downward to mid clavicle. Disfigurement*

on the posterior neck from the ear lobule posteriorally to the ear lobule shall not be rated under this section. Ratings under clauses (1) and (2) shall be combined as set forth in section 176.105, subdivision 4.

(1) Hypertrophic scarring or banding:

(i) Affecting less than ten percent of the anterior neck, zero percent.

(ii) Affecting ten to 30 percent of the anterior neck, ten percent.

(iii) Affecting 30 to 50 percent of the anterior neck, 12 percent.

(iv) Affecting more than 50 percent of the anterior neck, 15 percent.

(2) The chin shelf is the area from the chin backwards to the neck.

(i) Chin shelf extends less than two inches, three percent.

(ii) Chin shelf extends less than one inch, ten percent.

(d) The hand extends from the carpus outward. Loss of body parts and loss of motion are rated in the musculoskeletal schedule.

(1) Hypertrophic scarring affecting less than 30 percent of dorsum of one hand, zero percent.

(2) Hypertrophic scarring affecting 30 to 50 percent of dorsum of one hand, three percent.

(3) Hypertrophic scarring affecting 50 percent or more of dorsum of one hand, seven percent.

Sec. 95. [176B.25] [PREEXISTING IMPAIRMENTS.]

Where a disability is subject to apportionment under section 176.101, subdivision 4a, the rating for the disabled condition under a category of the schedules of this chapter must be reduced as provided in this section. As used in this section, the term disabled condition includes the preexisting disability.

(a) This section applies where the preexisting disability has not been rated and neither paragraph (b) nor (c) is applicable.

(1) The preexisting disability must be rated under a category of the schedules of this chapter.

(2) *The whole body disability rating assigned to the disabled condition of the member by the schedules of this chapter must be reduced by the rating assigned to the preexisting disability of the member in clause (1).*

(3) *For example, the medical report establishes a preexisting impairment of amputation of the index finger at the metacarpophalangeal joint. This injury is a 13.5 percent preexisting disability to the body as a whole under section 176B.08, subdivision 1, paragraph (1), clause (1). The disabled condition is amputation of all fingers except the thumb at the metacarpophalangeal joint, a 32.5 percent disability under section 176B.08, subdivision 1, paragraph (j), 32.5 percent less 13.5 percent gives the disability (adjusted for the preexisting impairment) of 19 percent. Payment is made for the 19 percent disability at the rate appropriate for a 32.5 percent disability. Thus, if economic recovery benefits are paid, 19 percent is multiplied by 680 weeks; for impairment benefits, 19 percent is multiplied by \$85,000.*

(b) *This paragraph applies where the preexisting disability of a member has been rated in another proceeding or state and the rating represents a percentage of disability to the whole body. The rating of the disabled condition under a category of these schedules shall be reduced by the rating assigned to the preexisting disability of the member.*

(c) *This paragraph applies where the injury producing the preexisting disability occurred prior to January 1, 1984, and the preexisting disability has been rated under section 176.101, subdivision 3; or where chapter 176 is inapplicable and the rating represents a percentage of disability of a member.*

(1) *From Table 1, determine the maximum whole body disability assignable to the preexisting disability. Use Table 2 where disability to an internal organ is rated as a percentage of disability to the particular organ rather than a percentage of disability to internal organs. Where the preexisting disability is not listed in Table 1 or Table 2, the maximum whole body disability is the maximum disability assigned to the affected member by the schedules of this chapter.*

TABLE 1

Member	Maximum Whole Body Disability (Percent)
Thumb	16
Index finger	11
Middle finger	9

<i>Ring finger</i>	4
<i>Little finger</i>	2
<i>Great toe</i>	5
<i>Lesser toe</i>	1
<i>Hand</i>	54
<i>Hand and wrist</i>	54
<i>Arm</i>	60
<i>Foot</i>	21
<i>Foot and ankle</i>	28
<i>Leg</i>	40
<i>Eye</i>	24
<i>Eyes (both)</i>	85
<i>Hearing loss, (one ear)</i>	6
<i>Hearing loss (both ears)</i>	35
<i>Back</i>	71
<i>Voice</i>	70
<i>Burns and skin impairments, including disfigurement</i>	70
<i>Internal organs, excluding brain</i>	85
<i>Brain</i>	100
<i>Head</i>	20

TABLE 2

<i>Member</i>	<i>Maximum Whole Body Disability (Percent)</i>
<i>Stomach</i>	65
<i>Pancreas</i>	65

<i>Colon</i>	50
<i>Spleen</i>	0
<i>Bladder</i>	30
<i>Sexual organs or function</i>	20
<i>Circulatory system</i>	90
<i>Heart</i>	85
<i>Lungs</i>	85
<i>Liver</i>	75
<i>Solitary kidney</i>	10
<i>Kidney, excluding solitary kidney</i>	77

(2) *Multiply the prior rating of the member's preexisting disability by the maximum whole body disability determined in clause (1). Where a disputed rating has been closed out to a stipulated rating but payments were made on a different rating, the rating for purposes of this section is the closed-out rating.*

(3) *Subtract the percentage amount determined in clause (2) from the whole body disability rating assigned to the disabled condition of the member by the schedules of this chapter. The remainder is the amount due for the disabled condition after apportionment for the preexisting disability.*

(4) *For example, a pre-1984 back injury was rated at 25 percent of the back. The whole body disability attributable to this injury is 25 percent by 71 percent equals 17.75 percent. After 1984, a second back injury is rated at 24.5 percent under this chapter (24.5 percent minus 17.75 percent equals 6.75 percent). 6.75 percent is the amount assigned to the disabled condition after apportionment.*

(d) *Where both sections 176.101, subdivision 4a, and 176.105, subdivision 4 apply, apportionment must be determined as follows:*

(1) *For each member, determine the percentage of whole body disability under paragraphs (a) to (c), as appropriate.*

(2) *Combine the percentages obtained in clause (1) in the manner set forth in section 176.105, subdivision 4. Prior to the next application of the formula, the result of an application of the formula must be stated as a decimal, not as a percentage, that is rounded up or down to four decimal places.*

Sec. 96. [176C.01] [PURPOSE.]

The purpose of this chapter is to establish standards for distinguishing between an employee and an independent contractor for purposes of workers' compensation coverage under section 176.012, paragraph (e). For those occupations specifically discussed in sections 176C.02 to 176C.35, this chapter establishes a "safe harbor" for assuring either independent contractor or employee status in those occupations. Where a worker is within the scope of the definition of a section, but does not meet the safe harbor criteria for either independent contractor or employee status, the determination shall be made as described in section 176C.36.

"Employee" as used in this chapter means a worker who is not an independent contractor. The employee safe harbor criteria are not intended to define "employee" under section 176.011, subdivision 9 for any purpose other than distinguishing workers who are not independent contractors.

Sec. 97. [176C.02] [ARTISANS.]

Subdivision 1. [DEFINITION.] An artisan is a person who has been trained in a mechanical art or trade. The particular skill necessary in the work is acquired by attending a vocational school, serving an apprenticeship, or by working as a handyman or helper and learning the trade informally.

Artisans include bricklayers, blocklayers, cable installers, carpenters, electricians, roofers, siders, painters, plasterers, paper-hangers, tapers, joiners, plumbers, and steamfitters.

Subd. 2. [INDEPENDENT CONTRACTOR.] An artisan is an independent contractor and not an employee if all of the following criteria are substantially met.

(a) The artisan is responsible for the final result, is free to choose the means and methods for accomplishing the result, and is not required to conform to fixed hours.

(b) The artisan is free to select others to assist in performing the job.

(c) The artisan has the opportunity of making a profit or suffering a loss and is not guaranteed a minimum income.

(d) The artisan has business expenses beyond the furnishing of tools, such as scaffolding, ladders, trucks, equipment, and advertising.

(e) The artisan has a substantial investment in facilities or equipment.

(f) *The artisan is held out to the public as being available to perform services for others.*

(g) *Payment for the work is on a job basis for a complete job rather than a time basis.*

(h) *The artisan agrees to provide lien waivers upon completion of the job.*

Subd. 3. [EMPLOYEE.] An artisan is an employee if all of the following criteria are substantially met.

(a) *The artisan is hired to do the work personally and any helpers are hired, paid, and subject to control by the purchaser of the artisan's services.*

(b) *Work is during fixed hours established by the purchaser and on a full-time basis.*

(c) *The artisan is paid on an hourly, weekly, or similar rate that is independent of the amount of work completed.*

(d) *The artisan has no substantial investment in facilities or equipment for doing the work.*

(e) *Materials and equipment other than hand tools are supplied by the purchaser of the artisan's services.*

(f) *The artisan will not incur a loss or realize a profit by exercising independent judgment in hiring helpers, selecting the materials used, determining methods of work, or similar matters.*

(g) *If the artisan does not complete the job, the artisan is not responsible for damages for noncompletion or for obtaining a replacement to complete the job.*

Subd. 4. [COOPERATIVES.] An artisan who is a member of a labor cooperative or similar job-sharing entity is an employee of the cooperative or entity if the artisan's investment in the cooperative is less than 15 percent and advance payments based on hours of work are made by the cooperative prior to completion of the job.

Sec. 98. [176C.03] [BARBERS.]

Subdivision 1. [DEFINITION.] Barbers are persons registered to practice barbering pursuant to chapter 154. A registered barber's apprentice is not an independent contractor.

Subd. 2. [INDEPENDENT CONTRACTOR.] A barber is an independent contractor if all of the following criteria are substantially met.

(a) *The barber rents a barber chair from the purported employer for a flat sum per week, month, or similar time basis.*

(b) *All payments by customers for services are retained by the barber.*

(c) *The barber furnishes tools, but need not furnish linens or supplies.*

(d) *The purported employer does not have the right to control the means and manner of the barber's performance of services such as haircuts, shaves, shampoos, scalp treatments, and facial massages.*

(e) *A written agreement between the parties provides that the barber is an independent contractor.*

Subd. 3. [EMPLOYEE.] A barber is an employee if all of the following criteria are substantially met.

(a) *The barber is paid on a salary basis, though tips may be retained by the barber, or the employer retains a set percentage of the money taken in by the barber's services, excluding tips.*

(b) *The employer furnishes equipment and supplies other than razors, combs, scissors, and similar items.*

(c) *The employer furnishes uniforms if uniforms unique to the employer are required.*

(d) *The barber does not advertise.*

(e) *The employer may terminate the barber's employment for noncompliance with rules including hours of work, smoking, or wasting time.*

(f) *A written employment agreement states that the parties are not independent contractors.*

(g) *The employer has the right to control the means and manner by which the barber performs services such as haircuts, shaves, shampoos, scalp treatments, and facial massages.*

Subd. 4. [FACTORS EXCLUDED.] The fact that barber associations or unions fix hours of work or other conditions of business operation indicates neither employment nor independent contractor status. Rules prescribed with respect to sanitary conditions by the state or city health departments are not to be considered in determining independent contractor or employment status.

Sec. 99. [176C.04] [BOOKKEEPERS AND ACCOUNTANTS.]

Subdivision 1. [DEFINITION.] A bookkeeper is an individual whose work consists substantially of some or all of the following: recording items in proper journals and on special forms, posting ledgers, balancing books, compiling reports, and otherwise keeping a complete and systematic set of records of an organization's business transactions. Accountants licensed under chapter 326 are bookkeepers for the purposes of this section.

Subd. 2. [INDEPENDENT CONTRACTOR.] A bookkeeper is an independent contractor if all of the following criteria are substantially met.

(a) The bookkeeper rents an office or maintains one in the home.

(b) The bookkeeper makes services available to the public.

(c) The bookkeeper's services are rendered for a number of clients and are compensated for on a fee basis.

(d) The bookkeeper pays business expenses, which include the cost of equipment, materials, and helper's wages.

(e) The bookkeeper is hired to accomplish a specific result and is not subject to direction or control over the methods or means of accomplishing it.

(f) The bookkeeper's services are not performed on the premises of the purchaser of the services.

Subd. 3. [EMPLOYEE.] A bookkeeper is an employee if all of the following criteria are substantially met.

(a) The bookkeeper performs services at regular intervals for a single business concern for a fixed salary.

(b) The bookkeeper works on the employer's premises with the necessary supplies and office help furnished.

(c) The bookkeeper does not make services available to the public, and does not maintain an office of the bookkeeper's own.

(d) The bookkeeper works during fixed hours and enjoys the usual privileges extended by an employer to employees including paid vacations, sick benefits, or bonuses.

(e) The bookkeeper's services are in connection with a system of bookkeeping or accounting adopted by the employer.

(f) The bookkeeper is subject to direction and control of the employer, although the bookkeeper may not be closely supervised because of the skill required to do the work.

Sec. 100. [176C.05] [BULK OIL PLANT OPERATORS.]

Subdivision 1. [DEFINITION.] A bulk plant operator is an individual who:

(a) distributes the products of firms engaged in the oil business;

(b) receives the oil products from the firm with which the operator contracts and delivers them to the retailers in the operator's territory; and

(c) collects money for the products from customers and forwards it to the firm.

Subd. 2. [INDEPENDENT CONTRACTOR.] A bulk oil plant operator is an independent contractor if all of the following criteria are substantially met.

(a) The operator is in complete charge of the entire plant.

(b) The operator's contract with an oil firm provides that the operator will:

(1) sell the firm's petroleum products on a consignment basis and account for all money collected;

(2) sell the products within a general territory at prices set by the firm;

(3) bear all expenses except freight on the products consigned;

(4) furnish trucks and other equipment; and

(5) hire, pay, and assume full responsibility for all necessary assistants.

(c) The operator advertises the firms' products at the operator's own expense.

(d) The operator fixes the hours and days the plant remains open, and hires, pays, and controls the employees.

Subd. 3. [EMPLOYEE.] A bulk oil plant operator is an employee if all of the following criteria are substantially met.

(a) *The operator does not have an investment in capital assets and is paid on a salary basis.*

(b) *The operator is required to work fixed hours or full time.*

(c) *The operator is included in the oil firm's employee benefits plans.*

(d) *The operator is required to comply with instructions given by the firm.*

(e) *The operator is not personally obligated to pay wages or does not assist in paying the truck or plant maintenance expenses.*

(f) *The operator is hired to manage the plant on a salary basis under instructions on the method and manner of doing the work.*

Sec. 101. [176C.06] [COLLECTORS.]

Subdivision 1. [DEFINITION.] A collector is an individual who collects, accepts, or encourages payments from the customers of a business for merchandise sold or services rendered by that business.

Subd. 2. [INDEPENDENT CONTRACTOR.] A collector is an independent contractor when the criteria of clause (a) or (b) is substantially met.

(a) *If the collector is a door-to-door or telephone collector, the collector:*

(1) *is assigned a specific territory and furnished lists of people from whom to collect;*

(2) *is not required to conform to fixed hours, devote any particular amount of time to the business, or produce a minimum volume of collections;*

(3) *is required to cover the territory regularly, but works out a schedule of contacts;*

(4) *reports to the office only to turn in collections and to get new lists;*

(5) *receives a fixed percentage of the collections made, out of which are paid all expenses connected with the work;*

(6) *is not guaranteed a minimum income; and*

(7) *is free to engage in other employment, including collecting accounts for other firms.*

(b) *The collector accepts payment of bills from the customers of a third party on the collector's premises and:*

(1) *bills can be paid at any and all times the collector's premises is open for business;*

(2) *the collector is not required to be present if someone is on the premises to receive payments;*

(3) *the collector is not required to conform to fixed hours, or to devote any particular amount of time to the third party's business, or to give preference to the third party's customers;*

(4) *the collector deposits all money collected in a bank and periodically forwards to the third party copies of bank deposit receipts, and complaint forms from customers;*

(5) *the third party furnishes the collector with the necessary business forms, postage, and stationery;*

(6) *the collector is required to purchase a surety bond;*

(7) *the third party pays a salary for the collection services or the collector may receive a percentage of the money collected;*

(8) *the collector is not trained in the work or required to follow prescribed routines; and*

(9) *the collector is free to conduct private business activities in addition to the collection services.*

Subd. 3. [EMPLOYEE.] A collector is an employee if all of the following are substantially met.

(a) *The services of the collector are retained to further the employer's business.*

(b) *The collector is required to perform services pursuant to schedules established by the employer.*

(c) *The employer has first call on the collector's time and efforts.*

(d) *The collector has no significant business expenses or investment in the business.*

(e) *The collector is paid on a commission or salary basis.*

(f) *The employer has the right to establish the means and methods used in collecting.*

(g) *The employer has the right to interfere with or set the order of the services.*

(h) *The collector must report at the firm's office regularly for conferences, training, or instructions.*

(i) *The hiring of helpers or substitutes is not permitted.*

(j) *The grounds for termination are not limited to failure to meet production quotas.*

Sec. 102. [176C.07] [CONSULTANTS.]

Subdivision 1. [DEFINITION.] A consultant is one who confers with and advises people on matters within the particular field in which the consultant specializes. The consultant has developed a peculiar knowledge or special skill of a professional or semiprofessional nature through extensive training and education or through wide experience in a particular occupation.

Subd. 2. [INDEPENDENT CONTRACTOR.] A consultant is an independent contractor if all of the following criteria are substantially met.

(a) *The consultant rents an office or offices at home.*

(b) *The consultant advertises in newspapers or trade journals, or maintains business listings, or otherwise holds out to the public as being available for a particular type of service.*

(c) *The consultant is free to hire clerical help and assistants.*

(d) *The consultant's success in the business world is dependent entirely on personal efforts and the demand by the public for the services.*

(e) *The consultant operates under an arrangement where for a set fee technical advice or assistance is given.*

(f) *The consultant's contract of service is for a specified period of time or specific purpose.*

(g) *The consultant is free to work for others at the same time.*

(h) *The consultant is not required to observe regular hours of work either at the firm's offices or at home.*

(i) *The consultant agrees only to be available for conferences and consultations at the request of the firm or, as in some cases, to perform services on a specified minimum number of days.*

(j) *The consultant makes no regular reports and is not required to attend regular conferences with members of the firm.*

(k) *The consultant is not subject to control or supervision, but is given a free hand in doing work.*

(l) *The consultant is employed to do a specific job and those who employ the consultant are interested only in the result accomplished and not in the manner and means of accomplishing it.*

Subd. 3. [EMPLOYEE.] A consultant is an employee when all the following criteria are substantially met.

(a) *The consultant is retained for services which further the employer's business.*

(b) *The consultant is required to perform services personally.*

(c) *The consultant's services are not available to the public.*

(d) *The consultant has no investment or business expense.*

(e) *The consultant provides recurring, rather than sporadic or infrequent, services.*

(f) *The employer has the right of first call on the services of the consultant.*

(g) *The consultant is required to report on the progress of assignments.*

(h) *Either party has the right to end the relationship at any time.*

(i) *The consultant receives a fixed salary determined on a weekly, monthly, annual, or similar basis.*

(j) *The consultant cannot realize a profit or loss from the services.*

Sec. 103. [176C.08] [DOMESTIC SERVICE.]

Subdivision 1. [DEFINITION.] Domestic service means household services such as housecleaning, meal preparation, or invalid companionship or care.

Subd. 2. [INDEPENDENT CONTRACTOR.] A person providing domestic services is an independent contractor if all of the following criteria are substantially met.

(a) The service is performed in connection with some episode in the life of the purported employer's family, such as an illness of short duration, preparation for a wedding, the birth of a child, or other episode of limited duration that indicates an engagement to accomplish a specific job.

(b) The domestic is free to work for others.

(c) The domestic may hire helpers to complete the job.

(d) The domestic is paid on a job basis rather than an hourly basis.

Subd. 3. [EMPLOYEE.] A person providing domestic services is an employee if all of the following factors are substantially met.

(a) The parties are not members of the same household or immediate family.

(b) The services are performed regularly and over a considerable period of time.

(c) The domestic received at least \$500 as wages from the employer for any three-month period during the preceding 12 months. This factor is alone sufficient to establish the employment relationship under section 176.041, subdivision 1.

(d) The domestic is not claimed as a dependent for income tax purposes.

(e) The domestic is paid on an hourly, weekly, or similar time basis.

(f) The domestic does not contribute to the employer's household expenses.

Sec. 104. [176C.09] [BABYSITTERS.]

Subdivision 1. [DEFINITION.] Babysitters are individuals who provide childcare services to parents and are not licensed to operate day care centers under chapter 245. Subdivisions 2 and 3 are applicable only if the threshold requirements of section 176.041, subdivision 1, have been met.

Subd. 2. [INDEPENDENT CONTRACTOR.] A babysitter is an independent contractor if all of the following criteria are substantially met.

(a) *The babysitter takes care of another's child in the babysitter's own home or other premises under the babysitter's control.*

(b) *The instructions given to the babysitter by the parents are general in nature, relating to matters of diet, health, rest, special foods to be given to the child, and who to contact in an emergency.*

(c) *The babysitter is allowed to exercise judgment on matters as to the amount of time and attention the child requires, the types of meals to serve, and the manner of coping with situations which may arise.*

(d) *The babysitter is free to perform household chores when the child does not require personal attention.*

Subd. 3. [EMPLOYEE.] A babysitter is an employee if all of the following criteria are substantially met.

(a) *The babysitter performs childcare services in the home of the child's parents.*

(b) *The babysitter has been engaged to devote services exclusively to the performance of the employer's work.*

(c) *The babysitter is given instructions regarding such matters as the amount of time and attention the child requires, the types of meals to serve, and the manner of coping with situations that may arise.*

Subd. 4. [BABYSITTER SERVICES CONTRACTED THROUGH AGENCIES.] A babysitter is an employee of an agency in the business of supplying names of babysitters if all of the following criteria are substantially met.

(a) *The agency maintains a register of names and addresses of individuals whom the agency determines are qualified to perform babysitter services. The agency advertises and otherwise holds itself out to the public as being engaged in the business of furnishing a babysitter service.*

(b) *The agency fixes the fee to be charged for the services and notifies the babysitter where to report and the hours to be worked.*

(c) *The babysitter pays the agency a specified amount or a percentage of the wages. Appearance and the performance of services must be guided by standards and rules issued by the agency.*

(d) *The babysitter must notify the agency when not available for an assignment and usually agrees to restrict work to that furnished by the agency.*

(e) *Any complaints as to the quality of the services are made by the parents to the agency, and the agency may remove the babysitter's name from its register.*

Sec. 105. [176C.10] [INDUSTRIAL HOMEWORKERS.]

Subdivision 1. [DEFINITION.] Industrial homeworkers are persons who work in their own homes or workshops on the manufacture or assembly of articles from materials supplied by the purchaser of their services. Services provided by industrial homeworkers include typing of envelopes and the manufacture, alteration, or finishing of gloves, slippers, bedspreads, slipcovers, pottery, boxes, toys, or similar items.

Subd. 2. [INDEPENDENT CONTRACTOR.] An industrial homeworker is an independent contractor when all the following criteria are substantially met.

(a) *The homeworker works under agreements that only require the completion of assignments according to specifications and within designated times.*

(b) *The homeworker is furnished materials by the firm and, in accordance with a pattern or general instructions, turns out a finished product which measures up to the firm's standards.*

(c) *The completed products are paid for on a piecework basis.*

(d) *There is no requirement that the homeworker give preference to the firm's work, although the homeworker is expected to complete assignments within a specified time.*

(e) *The homeworker may work for others; however, in many cases, the amount of work furnished by one firm keeps the worker busy full time.*

(f) *Unsatisfactory work is done over without pay.*

(g) *Set hours of work are not prescribed by the firm, nor is the work supervised.*

Subd. 3. [EMPLOYEE.] A homeworker is an employee if all of the following criteria are substantially met.

(a) *The services of the homeworker are closely integrated into the business of the firm that employs the worker.*

(b) *The homeworker is subject to virtually the same set of controls as employees who work on the firm's premises.*

(c) *The homeworker uses the homeworker's own small hand tools, but large tools or heavy equipment is furnished by the firm.*

(d) *The homeworker works or is paid on an hourly basis and renders personal services of a recurring nature.*

(e) *The homeworker is given detailed instructions or training in the work and is required to change the work plans and the order of services when requested.*

(f) *Although there is usually no direct supervision over the services, the firm checks the finished product and has the right to change or direct the method of operation if the completed article is not satisfactory.*

(g) *The homeworker is required to report on progress periodically.*

(h) *The relationship is terminable by either party, with or without cause prior to completion of a project without incurring liability for damages for noncompletion.*

(i) *The employer may change the homeworker's work assignment.*

Sec. 106. [176C.11] [LABORERS.]

Subdivision 1. [DEFINITION.] Laborers are people whose work usually requires strength rather than skill, such as laborers, char-women, coal hustlers, gardeners, yard maintenance workers, landscaping and planting workers, tree trimmers, handy men, janitors, odd-job men, porters, window washers, and other unskilled workers.

Subd. 2. [INDEPENDENT CONTRACTOR.] The laborer is an independent contractor if all of the following criteria are substantially met.

(a) *The laborer generally must use business judgment to earn a livelihood. The laborer's success or failure depends on how assistants are managed, the protection of investment through proper care of tools and equipment, and the reputation established as a result of methods of doing business.*

(b) *The services need not be performed personally.*

(c) *The laborer holds out to the public as available for furnishing a certain type of service on a job basis.*

(d) *The laborer is free to hire assistants and the assistants are the laborer's own responsibility, that is, the laborer directs them, pays them, and is liable for the payment of taxes on their wages.*

(e) *The laborer furnishes tools.*

(f) *The laborer obtains work by recommendation, advertising in newspapers, or maintaining a business listing in a telephone or service directory.*

(g) *The laborer is responsible only for completion of the job within a certain time and is free to use personal methods and means for doing the work.*

(h) *The laborer agrees to provide lien waivers upon completion of the job.*

Subd. 3. [EMPLOYEE.] A laborer is an employee if all of the following criteria are substantially met.

(a) *The services must be performed personally.*

(b) *The laborer works on employer premises or at locations assigned by the employer, at specified times, and with tools and facilities furnished by the employer. The services may be provided on a permanent, recurring, or itinerant basis.*

(c) *Pay is computed on a time rather than a lump-sum basis.*

(d) *The employer has the right to stop the laborer on one job and start on another, to speed up or slow down the worker, and to express dissatisfaction with the work and to have it redone.*

(e) *The laborer is not responsible for damages for noncompletion of the work. If the laborer quits prior to completing the job, the laborer is not responsible for finding a replacement.*

Sec. 107. [176C.12] [MUSICIANS; GENERAL.]

The status of musicians or groups in sections 176C.12 to 176C.14 is not affected by the fact that an American Federation of Musicians Form B Contract, to which the leader is a party, purports to make the purchaser their employer. The actual relationship, rather than the terms of the contract, controls.

Sec. 108. [176C.13] [MUSICIANS; COOPERATIVE ORCHESTRAS.]

Subdivision 1. [DEFINITION.] A cooperative orchestra is a musical group operated on a cooperative or partnership basis.

All of the members have a voice in determining the membership, the engagements to be accepted, the division of the money received, and all other phases of the orchestra's operations. By common consent of the members one of the group may be designated as a leader whose duties are to act as spokesperson for the group and to negotiate engagements in the orchestra's name. A business manager or set manager or other nonplaying member may be a member of a cooperative orchestra.

Subd. 2. [INDEPENDENT CONTRACTOR.] All the members, including the leader, of an orchestra are independent contractors if all of the following criteria are met.

(a) Payment is not on an hourly basis. Proceeds from engagements are used to pay expenses and the remainder is distributed as determined by members.

(b) The group is free to work for other purchasers of its services.

(c) The purchaser does not have the right to discharge a member of the group, or to dictate the style or manner of playing the music.

(d) The group may be liable for damages for nonperformance if it quits prior to completing its engagement with a purchaser.

Subd. 3. [EMPLOYEE.] Members of a cooperative orchestra are employees if all the following criteria are substantially met.

(a) The individuality of the orchestra is subordinated to the enhancement of the purchaser's reputation.

(b) The work relationship is not short term but is of a continuing nature.

(c) The purchaser has the right to discharge the leader or any of the orchestra members, to change the style or type of music, to have first call on the services, and to restrict the orchestra's outside activities.

(d) The purchaser pays the members on an hourly or time basis and bears the expenses of the orchestra.

Sec. 109. [176C.14] [MUSICIAN; ORCHESTRA LEADER.]

Subdivision 1. [DEFINITION.] An orchestra leader or union contractor is the assembler or leader of a musical group that plays music in public for compensation.

Subd. 2. [INDEPENDENT CONTRACTOR.] An orchestra leader is an independent contractor if all of the following conditions are substantially met.

(a) The leader selects the members and rehearses and directs them.

(b) The leader holds out to the public as being able to furnish a musical organization and enter into contracts to furnish music.

(c) The leader has the primary right to control the orchestra members as to how, when, and where they work.

(d) The leader is charged with all expenses the orchestra incurs, and, after paying expenses and the salaries or hourly wages of the other members, suffers a loss or realizes a profit from the undertaking.

(e) The leader is paid a lump sum for an engagement.

(f) The purchaser of the music deals directly with the leader.

(g) The purchaser retains only such control over the leader as to ensure the attainment of the desired result, such as the privilege of making suggestions on the type or style of music and number of musicians wanted.

Subd. 3. [SUBCONTRACTOR.] Where the leader is an independent contractor, the purchaser of music is responsible for the workers' compensation coverage of group members other than the leader under Minnesota Statutes, section 176.205, unless those members are independent contractors with respect to the leader or the purchaser.

Subd. 4. [EMPLOYEE.] The orchestra leader or assembler and members of the musical group are employees of the purchaser of musical services if all of the following criteria are substantially met.

(a) The purchaser hires a musician (usually called a union contractor) to assemble an orchestra to play at the purchaser's establishment. The purchaser specifies the number of musicians, the type of instruments, and the price per musician.

(b) The assembler of the group may be the orchestra leader if the purchaser designates the assembler as the leader.

(c) The purchaser may accept all the musicians who have been assembled or make changes in the personnel with or without an audition.

(d) The purchaser pays for the services on an hourly basis and is responsible for the business expenses of the group.

Sec. 110. [176C.15] [OUTSIDE COMMISSION SALES-PEOPLE OR MANUFACTURER'S REPRESENTATIVES; GENERAL.]

The following factors, taken together, are not sufficient to establish an employment relationship for an outside commission salesperson or manufacturer's representative under sections 176C.16 to 176C.18, territorial restrictions, fixing of sales prices and terms by the companies, the furnishing of leads, working off premises of the employer, and requirements that the salesmen investigate customers' complaints, collect delinquent accounts, and refrain from selling for competitors.

Sec. 111. [176C.16] [TRAVELING SALESPEOPLE.]

Subdivision 1. [DEFINITION.] A traveling salesperson is associated with a manufacturer or distributor whose products the salesperson sells directly to wholesalers or retailers. The salesperson is assigned to territories and furnished with price lists and samples or descriptions of the merchandise to be sold. The salesperson is required to sell the merchandise at prices set by the firm and the firm reserves the right to accept or reject orders. The firm fills the orders by shipping directly to the customers and billing the customers directly. The salesperson receives compensation from the firm in the form of a percentage of the price the customers pay for the merchandise. The salesperson may be required to work full time, to not work for competitors, or to produce a certain amount of business regularly.

Subd. 2. [INDEPENDENT CONTRACTOR.] A traveling salesperson is an independent contractor if all the following conditions are substantially met.

(a) The salesperson is free to solicit when, where, and how the salesperson pleases.

(b) The salesperson chooses working hours and schedule of calls.

(c) The salesperson chooses the means of travel and is responsible for the costs of travel.

(d) The salesperson pays expenses.

Subd. 3. [EMPLOYEE.] A traveling salesperson is an employee if all the following conditions are substantially met.

(a) The salesperson is required to appear at or report to the firm's offices regularly.

(b) The salesperson must work during fixed hours or at certain times.

- (c) *The salesperson must follow and report on leads.*
- (d) *The salesperson is required to take part in sales meetings or training courses.*
- (e) *The salesperson is required to canvass territory at regular intervals.*
- (f) *The firm is dependent principally on the services of traveling salespersons for the disposition of its merchandise.*

Sec. 112. [176C.17] [HOUSE-TO-HOUSE COMMISSION SALESPeOPLE.]

Subdivision 1. [DEFINITION.] A house-to-house commission salesperson sells door-to-door at retail prices to the customer. The salesperson does not purchase stock at wholesale, maintain that stock for resale, or retain the risk of loss if the stock is not sold.

Subd. 2. [INDEPENDENT CONTRACTOR.] A house-to-house commission salesperson is an independent contractor if all of the following criteria are substantially met.

(a) *If assigned to territories, the salesperson is not granted exclusive rights to them.*

(b) *The salesperson is not required to canvass territories within any specified time or to work during fixed hours or at certain times.*

(c) *The salesperson receives no training, is not required to follow an established routine or schedule, and devises individual methods and means of selling.*

(d) *The salesperson pays business expenses.*

(e) *The salesperson is not required to produce any minimum volume of business or follow leads furnished by the company.*

Subd. 3. [EMPLOYEE.] A house-to-house commission salesperson is an employee if all of the following criteria are substantially met.

(a) *The salesperson works for only one company and on a full-time basis.*

(b) *The services of the salesperson are an important part of the company's business.*

(c) *Although the salesperson may not be required to report to the company's office at regular intervals, the salesperson*

often receives leads and instructions through the mail which must be followed.

(d) The salesperson is required to file regularly a report of activities with the company.

(e) The salesperson is required to canvass a territory regularly.

(f) The salesperson is required to attend sales meetings or take part in training courses.

(g) The salesperson may be visited by a sales manager or supervisor who instructs and helps in developing sales techniques and other matters.

(h) The salesperson is expected to produce a certain amount of business to continue the relationship.

Sec. 113. [176C.18] [HOUSE-TO-HOUSE DEALER SALESPEOPLE.]

Subdivision 1. [DEFINITION.] A house-to-house dealer salesperson buys stocks of commodities at wholesale from a company and sells them at retail. In other respects, the dealer is similar to ordinary retail merchants and house-to-house commission salespeople.

Subd. 2. [INDEPENDENT CONTRACTOR.] A dealer is an independent contractor if all of the following criteria are substantially met.

(a) The dealer is not required to work during fixed hours or at certain times, to follow any particular routes or schedules or to report on activities.

(b) The dealer keeps substantial inventories and has automobiles or trucks to deliver merchandise.

(c) The dealer may employ others.

(d) Compliance with suggestions or attendance at salesmanship meetings are optional with the dealers.

(e) The dealer is not required to solicit prospective purchasers identified by the company.

(f) The dealer chooses working hours and methods of solicitation.

(g) The dealer pays business expenses and, by selling on credit, takes a risk of loss.

(h) *The dealer is dependent for a livelihood on personal efforts and ingenuity in establishing clienteles and good reputations.*

Subd. 3. [EMPLOYEE.] *A dealer is an employee if all of the following criteria are substantially met.*

(a) *The dealer must report regularly on sales, prospects, and work activities.*

(b) *The dealer must report regularly for sales meetings and pep talks.*

(c) *Although not usually required to work during hours fixed by the firm, the dealer is expected to meet a certain quota.*

(d) *The dealer is restricted from selling on credit and must abide by prices set by the company.*

(e) *Merchandise may be returned to company with no loss to the dealer.*

(f) *The dealer is furnished leads and required to follow-up and report.*

(g) *The dealer is required to concentrate on certain products listed as "specials" and follow schedules or routes worked out by the company.*

(h) *If sales fall off, a manager or other company representative investigates and instructs the dealer how to increase sales.*

(i) *Helpers may be provided by the company for dealers who maintain large volumes of sales.*

(j) *The relationship is terminable by either party on short notice and without liability to the employee for noncompletion.*

(k) *Where the dealer trains others, the dealer is paid and may be elevated to a managership.*

Sec. 114. [176C.19] [AGENT DRIVERS.]

Subdivision 1. [DEFINITION.] *An agent driver is a salesperson who drives a truck in selling and delivering bread, milk, meat, beverages, laundry, dry-cleaning, or similar services. The driver may sell to consumers at retail prices or at wholesale to retailers.*

Subd. 2. [INDEPENDENT CONTRACTOR.] *An agent driver is an independent contractor if all of the following criteria are substantially met.*

(a) *The driver does not contract with the firm to render personal services but only to buy a certain amount of a firm's products regularly.*

(b) *The driver may hire and pay helpers or use substitutes.*

(c) *Although the driver may work full time, the driver does so by choice; and selects working hours.*

(d) *The driver selects customers, sets prices, and often sells on credit.*

(e) *The driver pays truck maintenance costs and other business expenses.*

(f) *The driver cannot return unsold products to the firm.*

(g) *Either party may terminate the relationship at any time without incurring liability.*

Subd. 3. [EMPLOYEE.] An agent driver is an employee if all the following criteria are substantially met.

(a) *The driver is assigned a route and required to cover it at regular intervals.*

(b) *Helpers or substitutes are not permitted.*

(c) *Prices are set by the company.*

(d) *The driver cannot handle competing lines.*

(e) *The driver is required to keep reports of sales and other matters.*

(f) *The driver collects from customers and turns money over to the company.*

(g) *The driver has no authority to determine whether sales may be made on credit.*

(h) *The driver reports to the company office at specified times to load trucks, return unsold goods, and report on activities as requested.*

(i) *The driver is required to follow leads.*

(j) *The driver is expected to solicit new customers and adjust complaints.*

(k) *The driver may quit or a firm may fire the driver on short notice, and neither is liable for damages for noncompletion.*

(l) *The driver receives paid vacation, sick benefits, or other similar benefits offered to nondriver employees of the firm.*

Sec. 115. [176C.20] [PHOTOGRAPHERS' MODELS.]

Subdivision 1. [DEFINITION.] A photographer's model is a professional who poses for photographs that are used for commercial purposes. The photographs are reproduced and appear in magazines, newspapers, or similar media to aid in advertising commercial products. The model is knowledgeable or trained in such subjects as the art of make-up, fashion, hairstyling, acting, and posture.

Subd. 2. [INDEPENDENT CONTRACTOR.] A photographer's model is an independent contractor if all of the following criteria are substantially met.

(a) *The model engages a booking agent for a certain compensation, usually ten percent of the model's fees. The agent makes and arranges appointments for the model.*

(b) *Fees are fixed by the agent, usually on an hourly basis.*

(c) *The model reserves the right to limit the time or period of work and the right to work only during certain hours.*

(d) *The model releases property rights in each specific photograph that is to be used commercially.*

(e) *The model supplies wardrobes appropriate to the roles the model is engaged to portray.*

(f) *The model is free to pose for anyone who desires the model's services.*

(g) *The model is not engaged on a permanent or periodic basis but solely for specific jobs and the model reserves the right to cancel bookings made by agents.*

(h) *The creation and enactment of the roles assigned them are left to the models' own discretion and initiative.*

(i) *The model is free to use skill and training in other fields of business activity, such as radio, movie shorts, fashion shows, and television shows.*

Subd. 3. [EMPLOYEE.] A photographer's model is an employee if all of the following criteria are substantially met.

(a) *The model works for only one or two photographers or firms and is paid a salary or guaranteed minimum wage to work during fixed hours on the employer's premises.*

(b) *The model is required to conform to instructions or suggestions on, among others, costume, coiffure, general make-up, posture, or the position and expression to assume in an assigned role.*

(c) *The model is paid a salary for first call on the model's services and on a full-time basis or part-time basis.*

(d) *The work is performed mostly on company premises and is done in accordance with a supervisor's or manager's views on the best method of illustrating the good points of the garments or other products being modeled.*

(e) *Either party may terminate the relationship at any time.*

Sec. 116. [176C.21] [PROFESSIONAL PERSONS.]

Subdivision 1. [DEFINITION.] A professional is a person in an occupation that requires education equivalent to college graduation or beyond and involves compliance with professional and statutory licensing or registration standards before the individual can practice. The professional field includes architects, attorneys, certified public accountants, and engineers.

Subd. 2. [INDEPENDENT CONTRACTOR.] A professional is an independent contractor when all of the following criteria are substantially met.

(a) *The professional sets up a business office.*

(b) *The professional hires and directs assistants or helpers.*

(c) *The professional pays all expenses in connection with the business.*

(d) *The professional offers services to the public.*

(e) *The professional works at hours of the professional's own choice.*

(f) *The professional is dependent for a livelihood upon the amount of time, energy, and ingenuity applied to the work.*

Subd. 3. [EMPLOYEE.] A professional is an employee if all of the following criteria are substantially met.

(a) *The professional subordinates activities to the interests of the employer by working under conditions that make the professional's services an integral part of another's business.*

(b) *The professional works when and where a firm dictates.*

(c) *The professional is furnished an office and office facilities, and business expenses are met by the firm.*

(d) *The professional is paid a fixed salary determined on a weekly, monthly, annual, or similar basis.*

(e) *The professional's services are subject to supervision and review.*

(f) *The professional cannot hire a substitute or helper.*

(g) *The professional may be discharged at will and has the right to terminate the relationship at any time without liability.*

(h) *The professional incurs no expenses nor makes any investment.*

(i) *The relationship is continuing.*

Sec. 117. [176C.22] [DOCTORS OF MEDICINE; PART-TIME SERVICES FOR INDUSTRIAL FIRMS.]

Subdivision 1. [DEFINITION.] Doctors are persons whose work requires licensure pursuant to section 147.02.

Subd. 2. [INDEPENDENT CONTRACTOR.] Doctors who, in addition to their private practices, enter into arrangements with industrial firms to examine and treat the firm's employees on a part-time basis, are independent contractors if all of the following criteria are met.

(a) *The firm is interested in securing a medical service rather than the personal service of the doctor and an employment relationship is not contemplated under the terms of the agreement between the parties. The doctor, in effect, accepts the firm as an additional client in the doctor's private practice.*

(b) *The doctor has the right to leave the firm's premises during working hours if an emergency arises in private practice.*

(c) *The doctor has the right to send a substitute to perform the services.*

(d) *The doctor does not have the right to terminate the relationship on short notice.*

(e) *Direct supervision and control over the services were not contemplated by the parties to the agreement.*

Subd. 3. [EMPLOYEES.] Doctors described in subdivision 1 are employees if all of the following criteria are substantially met.

(a) *The doctor's services are materially integrated into the operating organization of the firm.*

(b) *The doctor performs services of a substantial nature for the firm on a regular and continuing basis.*

(c) *The doctor is subject to supervision and control by the firm to the extent necessary to require compliance with its general policies and procedures.*

(d) *The doctor is accorded the rights and privileges that the firm extends to its employees generally.*

Subd. 4. [DEFINITION OF FACTORS.] This subdivision explains the factors listed in subdivision 3.

(a) *Materially integrated is determined by factors such as:*

(1) *the payment of a salary or fixed rate of pay as compared to remuneration on a fee basis;*

(2) *a contract term indicating a mutual intention to create an employer and employee relationship;*

(3) *the firm engages the services of a substitute in the event of the doctor's absence;*

(4) *the remuneration is reported as wages for social security purposes; and*

(5) *the doctor, for income tax purposes, reported the remuneration as wages.*

(b) *Regular and continuing basis means agreement to a schedule of definite and fixed hours of service and the requirement to follow the schedule without substantial deviation.*

(c) *Compliance with policies and procedures exists where the methods, routines, and procedures followed by the doctor are subject to supervision. The supervision may be of varying*

degree and nature, for example, supervision exercised by a medical director may include somewhat detailed control over the physician's medical routines where the supervision exercised by a hospital administrator may lay less emphasis on this aspect. However, the factor of compliance is met where the physician is required to follow the employer's rules regarding the physician's methods of operation generally, including the obligation to treat assigned patients, the report the physician must submit, the priorities the physician must follow both medically and administratively, and the standards the physician must maintain regarding equipment and cleanliness.

(d) Rights and privileges include vacation and sick leave with pay, holiday pay, severance pay, and pension and insurance plans.

Sec. 118. [176C.23] [REAL ESTATE AND SECURITIES SALESPEOPLE.]

Subdivision 1. [DEFINITION.] Real estate salespeople are persons licensed as real estate salespersons under chapter 82. Securities salespeople are persons licensed as agents under chapter 80A.

Subd. 2. [INDEPENDENT CONTRACTOR, REAL ESTATE.] A real estate salesperson who is a qualified real estate agent under the Internal Revenue Code of 1954, section 3508(b)(1) is an independent contractor. The Internal Revenue Code of 1954, section 3508(b)(1) is incorporated by reference as the standard to be used under this chapter. A real estate salesperson who is not a qualified real estate agent under that standard is nonetheless an independent contractor if all the following conditions are substantially met.

(a) The salesperson is licensed to one broker and the cost of the license is paid by the salesperson.

(b) The broker makes available to the salesperson office facilities and property listing, and assists the salesperson by giving advice and by cooperating in the salesperson's endeavors.

(c) The broker furnishes the salesperson with necessary business forms, stationery, cards, and instructions in office procedures and business policies either verbally or by means of written instructions, such as sales manuals.

(d) The salesperson agrees to work diligently for the broker and to conduct business and regulate habits so as to maintain and increase the good will and reputation of the broker.

(e) The salesperson agrees not to sell for other brokers.

(f) *The salesperson provides transportation and pays all expenses incurred in the solicitation of business.*

(g) *The salesperson generally reports to work daily but works no fixed number of hours.*

(h) *Meetings are held in the broker's office on a regular basis, usually weekly, but attendance at these meetings is voluntary.*

(i) *Sales are closed in the name of the broker.*

(j) *The money is turned over to the broker who pays the salesperson commissions at periodic intervals.*

(k) *The salesperson's success is primarily dependent on the salesperson's own initiative and effort.*

Subd. 3. [INDEPENDENT CONTRACTOR, SECURITIES.]
A securities salesperson is an independent contractor if all the following conditions are substantially met.

(a) *The securities dealer engages the salesperson in the furtherance of the business.*

(b) *The salesperson is licensed to a particular dealer.*

(c) *The dealer furnishes the salesperson with desk space, telephone and telegraph facilities, market quotations, statistical and bookkeeping services, and clerical assistance.*

(d) *The salesperson agrees to work diligently for the dealer and to abide by all laws, rules, and regulations under which the dealer operates the business.*

(e) *The salesperson is not required to work fixed hours.*

(f) *The salesperson concludes sales in the name of the dealer and pays over the money to the dealer.*

(g) *The salesperson is paid on a commission basis at periodic intervals.*

(h) *Under certain circumstances, the salesperson may bear a part of the losses resulting from a transaction.*

(i) *Sales meetings are held regularly, but attendance is voluntary.*

(j) *The salesperson's income is primarily dependent on the salesperson's own initiative and effort.*

Subd. 4. [EMPLOYEE.] A salesperson is an employee when all of the following criteria are substantially met.

(a) the salesperson is paid a salary or guaranteed minimum wage;

(b) the employer requires fixed hours of work;

(c) the employer requires that nearly all work be done on the broker's or dealer's premises;

(d) the employer requires attendance at employer's office at specific times;

(e) the broker or dealer has the right to interrupt or set the order of services;

(f) the employer provides instruction or training in how the salesperson approaches prospects, closes sales, and works on particular problems; and

(g) the employer requires the salesperson to report on activities.

Sec. 119. [176C.24] [REGISTERED AND PRACTICAL NURSES.]

Subdivision 1. [DEFINITION.] Registered nurses are persons licensed as such pursuant to Minnesota Statutes. Practical nurses are persons licensed as such pursuant to Minnesota Statutes.

Subd. 2. [INDEPENDENT CONTRACTOR.] A nurse is an independent contractor if:

(a) The nurse holds out to the public as exercising an independent calling requiring specialized skills.

(b) The nurse has full discretion in administering the nurse's professional services. Full discretion is present even through the nurse may be subject to the supervision of the attending physician.

(c) The nurse is retained full time by the purchaser and the work relationship between the purchaser and the nurse is expected to terminate when the job is completed.

(d) The nurse is not retained full time by a purchaser and the nurse is available to others for private duty nursing.

Subd. 3. [EMPLOYEE.] A nurse who works for a hospital, clinic, nursing home, public health agency, or as an office at-

tendant for a private physician is an employee if all the following criteria are substantially met.

(a) *The nurse works full time on the regular staff of the firm.*

(b) *The nurse works for a salary and follows prescribed routines during fixed hours when not available for private duty nursing.*

(c) *The nurse's services are integrated into the employer's business.*

(d) *The employer has the right to set the order of and supervise the services.*

Sec. 120. [176C.25] [UNLICENSED "NURSES."]

Nurses' aides, domestics, and other unlicensed individuals who continue to classify themselves as practical nurses are, in general, insufficiently trained or equipped to render professional or semi-professional "nursing." Their services are normally those expected of maids, servants, and domestics, for example, bathing the individual, combing the individual's hair, reading, arranging bedding and clothing, preparing or serving meals, and occasionally giving oral medication left in their custody. The status of these persons is determined pursuant to section 176C.08.

Sec. 121. [176C.26] [TAXICAB DRIVERS.]

Subdivision 1. [DEFINITION.] Taxicab drivers are persons who offer fee for service auto transportation within a limited area.

Subd. 2. [INDEPENDENT CONTRACTOR.] A driver is an independent contractor if all of the following criteria are substantially met.

(a) *The driver owns and drives the driver's own cab, or leases it on a flat rate basis and pays a specified rental on a daily, weekly, or similar time basis.*

(b) *The driver is free to work the shift of choice, and there is no control over when and where the driver works.*

(c) *The driver's sole compensation is the fares and tips collected from patrons.*

(d) *The driver is required to comply with government rules and regulations and with firm regulations that are meant to ensure proper care and handling of the cab.*

(e) *The driver is not required to report whereabouts and is not subject to instructions on where to seek patrons.*

(f) *If the driver leases the cab, the lessor is interested only in receiving the cab rental and, in many cases, payment for gasoline and oil that the driver is required to buy from the lessor.*

(g) *The opportunity for profit or risk of loss rests with the driver, not the lessor.*

Subd. 3. [EMPLOYEE.] *A taxicab driver is an employee if all the following criteria are substantially met.*

(a) *The employer exercises control over the driver while the driver is in possession of the cab.*

(b) *The driver must work during specified hours or on assigned shifts, pick up passengers on call, and report whereabouts periodically.*

(c) *The driver must account for fares collected.*

(d) *The employer requires that the driver perform the services personally.*

(e) *The employer gives instructions on matters of appearance, behavior, manner of seeking patrons, routes, order of services, and time off from duty.*

(f) *Payment is in the form of a salary or salary plus a percentage of fares.*

(g) *The driver is required to report personally and regularly or furnish written reports.*

(h) *There are no business expenses on the part of the driver.*

(i) *Both parties have the right to terminate the relationship at any time.*

(j) *There is no investment or opportunity for profit or risk of loss on the part of the driver.*

Sec. 122. [176C.27] [TIMBER FELLERS, BUCKERS, SKIDDERS, AND PROCESSORS.]

Subdivision 1. [DEFINITION.] *Timber fellers employ chainsaws or other mechanical devices mounted on logging vehicles to fell trees. Trees so felled may either be delimbed at the site or subsequently at roadside landings.*

Buckers cut trees into merchantable lengths, with either chain-saw or heavier machinery such as slashers, harvesters, and processors. These operations may also be conducted either at the felling site or at roadside. In either case the product is piled or otherwise accumulated to facilitate subsequent transportation.

Skidders or forwarders either drag logs or trees to roadside landings, or load and transport logs or shortwood (fuelwood or pulpwood) to similar destinations.

Timber harvesters and processors combine two or more of the operations described above.

Mechanical debarking or chipping may also be coordinated with skidding or forwarding operations.

Chips are usually blown into semi-trailer vans for delivery to mills for remanufacture or to furnaces for fuel.

Subd. 2. [NEUTRAL FACTORS.] Due to the nature of the work and certain customs in the field, the following factors are neutral: lack of fixed hours of work, payment on a piecework basis, ownership of small tools, and requirements that the product of the work be within overall specifications.

Subd. 3. [INDEPENDENT CONTRACTOR.] A feller, buckler, skidder, or processor is an independent contractor if all of the following criteria are substantially met.

(a) The worker is granted timber rights to tracts of land and is legally bound to remove all or certain parts of the timber within specified times at set prices.

(b) The worker bargains for "package" jobs which the worker will do by methods of personal choice subject to production specifications required by the contracting company.

(c) The worker is paid to obtain a result, which does not necessarily depend on the worker's own personal services.

(d) The worker is free to hire and direct others to do the work and the worker is responsible for expenses incurred in fulfilling the contract.

(e) The worker supplies the necessary equipment and sometimes the tools used by the helpers.

(f) The worker determines the working hours and rates of pay, and otherwise controls the helpers' working conditions.

(g) The worker is held out to the public as a contractor and sometimes holds several logging contracts at the same time.

(h) *The worker is in a position to make a profit or suffer a loss, depending on the management of helpers, the care of the tools and equipment, and the methods used for doing the work.*

(i) *As long as the worker produces final results that measure up to specifications, there is no desire or legal right to interfere with the worker's methods.*

Subd. 4. [EMPLOYEE.] *A feller, buckler, skidder, or processor is an employee if all of the following criteria are substantially met.*

(a) *The feller buckler, skidder, or processor is assigned specific portions of the area to be harvested, but the right to work in other portions is not given exclusively.*

(b) *The company assigns a number of workers to each area. They are told the kind and size of trees to cut. Trees designated to be cut because of a conservation or sustained-yield program do not indicate employment.*

(c) *The company foreman periodically inspects the work area to be harvested and, if not satisfied with the progress being made, replaces the workers with another crew.*

(d) *The crews may be shifted from one work area to another to speed up operations and if a worker is ill or not doing satisfactory work the foreman may replace the worker.*

(e) *The worker chooses the hours of work, but is required to finish each work area within a certain time and to do so usually requires long and regular hours of work.*

(f) *The worker may be paid on a piecework basis or by the cord, but generally the company will not pay for products that do not measure up to specifications. Keeping records of wages paid and hours worked is not indicative of employment if it is required only to ensure that the products may be shipped in interstate commerce.*

Sec. 123. [176C.28] [SAWMILL OPERATORS.]

Subdivision 1. [DEFINITION.] *Sawmill operators manage sawmills. A sawmill is used to convert logs into lumber or other forest products. The mills may be stationary or portable. Moving the logs into position, the sawing operation itself, and the stacking or removal of the products often require the services of a crew of workers.*

Subd. 2. [INDEPENDENT CONTRACTOR.] *A sawmill operator is an independent contractor if all of the following criteria are substantially met.*

(a) *The operator has a substantial investment because the operator owns all or part of the mill and equipment used to move logs, lumber, or other forest products.*

(b) *The operator contracts to saw, or harvest and saw, timber at so much per thousand board feet. The operator may be bound by contract to complete the job within a set time or to produce a daily or weekly quota.*

(c) *The work calls for independent thought and action based on business judgment, experience, and training.*

(d) *The operator contracts to do a specific job, using personal methods. The only control over the work concerns attainment of an acceptable result.*

(e) *The operator hires, pays, and directs the operator's own crews.*

(f) *The operator is not required to do the work personally, but is responsible for its being done.*

(g) *The operator is in a position to lose or profit from management of the workers and care of the equipment.*

(h) *The operator is free to work for others.*

(i) *There is no restriction of activities so long as the sawmill turns out products that meet the overall specifications in the contract.*

Subd. 3. [EMPLOYEE.] A sawmill operator is an employee if all of the following criteria are substantially met.

(a) *The purchaser of the services pays the cost of running the mill, even though the operator may own the mill.*

(b) *The operator may pick a crew to operate the mill, but the company pays them and can fire them for poor work.*

(c) *The company has the right to tell the operator what hours to work and require the operator to keep records of the amount produced and on hand daily.*

(d) *The mill is moved from one tract to another as the company requires.*

(e) *The operator may be paid a salary or pay may be computed on a piecework basis.*

(f) *The services are terminable by either party at any time.*

(g) *The operator has no business expenses nor opportunity for profit or risk of loss.*

(h) *The operator cannot work for others.*

Sec. 124. [176C.29] [TRUCK OWNER-DRIVERS.]

Subdivision 1. [DEFINITION.] A truck owner-driver is any individual, partnership, or corporation (all referred to in this section as "individual") who owns or holds a vehicle as defined in subdivision 2 under a bona fide lease and who leases that vehicle together with driver services to an entity which holds itself out to and does transport freight as a for-hire or private motor carrier.

Subd. 2. [INDEPENDENT CONTRACTOR.] In the trucking industry, an owner-operator of a vehicle that is licensed and registered as a truck, tractor, or truck-tractor by a governmental motor vehicle regulatory agency is an independent contractor, not an employee, while performing services in the operation of the owner-operator's truck, if each of the following factors are substantially present.

(a) *The individual owns the equipment or holds it under a bona fide lease arrangement.*

(b) *The individual is responsible for the maintenance of the equipment.*

(c) *The individual bears the principal burden of the operating costs, including fuel, repairs, supplies, vehicle insurance, and personal expenses while on the road.*

(d) *The individual is responsible for supplying the necessary personal services to operate the equipment.*

(e) *The individual's compensation is based on factors related to the work performed including a percentage of any schedule of rates or lawfully published tariff and not on the basis of the hours or time expended.*

(f) *The individual generally determines the details and means of performing the services, in conformance with regulatory requirements, operating procedures of the carrier, and specifications of the shipper.*

(g) *The individual enters into a contract that specifies the relationship to be that of an independent contractor and not that of an employee.*

Subd. 3. [EMPLOYEE.] An owner operator of a vehicle as defined in subdivision 2 is an employee, not an independent con-

tractor, while performing services in the operation of the individual's truck, if all of the following criteria are substantially met.

(a) *The individual is paid compensation for personal services:*

(1) *based solely on wage by the hour or a similar time unit that is not related to a specific job or freight movement;*

(2) *on a premium basis for services performed in excess of a specified amount of time; and*

(3) *from which FICA and income tax is withheld.*

(b) *The individual is treated as an employee by the firm with respect to fringe benefits offered to employees by the firm.*

(c) *The individual usually works defined hours.*

(d) *The employer requires that the individual must perform the work personally and cannot change drivers.*

(e) *The individual has no choice in the acceptance or rejection of a load.*

(f) *The individual and firm have no written contract; or, if there is a written contract, it does not specify the individual's relationship with the firm as being that of independent contractor.*

Sec. 125. [176C.30] [WASTE MATERIALS HAULERS.]

Section 176C.29 applies to truck owner-drivers who meet the definition of section 176C.29, subdivision 1, except that they transport waste materials instead of freight.

Sec. 126. [176C.35] [MESSENGERS/COURIERS.]

Subdivision 1. [DEFINITION.] Messenger/couriers are vehicle drivers who transport property for a company operating under a permit or certificate pursuant to chapter 221 in local or intrastate commerce or operating as an exempt carrier pursuant to the Interstate Commerce Act.

Subd. 2. [INDEPENDENT CONTRACTOR.] A messenger/courier is an independent contractor if all of the following criteria are substantially met.

(a) *The messenger/courier owns or holds a vehicle under a bona fide lease or leases a vehicle and provides driver services*

in local or intrastate transportation and in interstate commerce the messenger/courier provides the means for the transportation of the property.

(b) The messenger/courier is free to accept or reject jobs from a carrier and there is no control over when the individual works.

(c) The messenger/courier's compensation is based on factors related to the work performed including (1) a percentage of any schedule of rates, or (2) a percentage of a lawfully published tariff, or (3) is compensated per delivery.

(d) All expenses are paid by the messenger/courier and the opportunity for profit or loss rests with the messenger/courier.

(e) The messenger/courier is responsible for the operating costs, including fuel, repairs, supplies, and vehicle insurance.

(f) The messenger/courier determines the details and means of performing the services, such as the selection of routes and the order of deliveries.

(g) The messenger/courier is responsible for the completion of a specific job and is liable for failure to complete the job.

(h) The messenger/courier enters into a contract that specifies the relationship to be that of an independent contractor and not that of an employee.

Subd. 3. [EMPLOYEE.] A messenger/courier is an employee if all of the following criteria are substantially met.

(a) The messenger/courier must work during specified hours or an assigned shift.

(b) Payment is based solely by the hour or a similar time unit that is not related to a specific job.

(c) The company utilizing the service of the messenger/courier reimburses all expenses to the messenger/courier including those contained in the company's schedule of rates or lawfully published tariffs.

(d) The company utilizing the services of the messenger/courier is responsible for providing the vehicle and all of its expenses.

(e) There is no investment or opportunity for profit or risk of loss on the part of the messenger/courier.

(f) *The company utilizing the services of the messenger/courier is responsible for all operating expenses, including fuel, repairs, supplies, and vehicle insurance.*

Sec. 127. [176C.32] [VARIETY ENTERTAINERS.]

Subdivision 1. [DEFINITION.] A variety entertainer is a person who entertains and amuses audiences by means of acts or skits, dances, readings, feats of skill, songs, or comedy acts. The entertainer performs in the legitimate and burlesque theaters, movie houses, circuses, fairs, hotels, and night clubs.

Variety entertainers specialize in one or two types of acts. The more talented create and develop their own acts or routines and sometimes train others to help perform them. They often work in pairs or as members of troupes.

Subd. 2. [NEUTRAL FACTORS.] The status of a variety entertainer is not determined by the entertainer's entering into the form B contract of the American Federation of Musicians. This contract purports to establish an employer and employee relationship between the purchaser of the services and the entertainer. The actual relationship, rather than the terms of the contract, governs.

Subd. 3. [INDEPENDENT CONTRACTOR.] A variety entertainer is an independent contractor if all of the following criteria are substantially met.

(a) *The entertainer performs acts or routines as a series of short-term engagements for a number of different operators of theaters, night clubs, restaurants, and similar establishments.*

(b) *The entertainer's contract, which is usually obtained through booking agents or personal representatives, specifies only the time, place, and duration of each engagement, and the pay.*

(c) *The entertainer furnishes the entertainer's own music arrangements, stage props, and dress.*

(d) *The entertainer's act is not an integral part of another's business.*

(e) *The entertainer maintains a high degree of individuality and establishes a reputation based on the acceptance by the audiences for which the entertainer performs.*

Subd. 4. [EMPLOYEE.] A variety entertainer is an employee when all of the following criteria are substantially met.

(a) *The entertainer is subject to supervision over the number, time, place, and length of rehearsals and performances, and as to duty and behavior, and is bound by rules and regulations to the purchaser of the services.*

(b) *The entertainer's variety acts may undergo considerable change in order to suit the employer's purpose. It may be shortened, lengthened, or moved from one spot to another to weld it, with others, into one complete show or to coordinate it with other activities. In that case, individuality of the performer is subordinated to the purpose of enhancing the reputation of the purchaser of the services.*

(c) *The entertainer's performance becomes an integral part of another's business.*

(d) *The entertainer is engaged on a long-term basis.*

(e) *The entertainer may not work for others.*

(f) *The entertainer has no opportunity for profit or risk of loss, must frequently work with others, and can be shifted from one place to another.*

(g) *The entertainer can be discharged at any time.*

(h) *The entertainer cannot hire helpers or substitutes.*

Sec. 128. [176C.33] [SPORTS OFFICIALS.]

Subdivision 1. [DEFINITION.] A sports official is an individual engaged to referee games of sport such as basketball, hockey, or football where the level of competition requires the sports official to be a member of or certified by an organization whose purpose is to maintain minimum standards and qualifications of sports officials.

Subd. 2. [INDEPENDENT CONTRACTOR.] A sports official is an independent contractor if all the following conditions are substantially met.

(a) *There is a written contract between the sports official and the party or association engaging the services of the sports official that states specifically that the sports official is an independent contractor.*

(b) *Payment to the sports official is for a set fee for each game officiated.*

(c) *The official is free under the terms of the contract to accept or reject assignments of any game.*

(d) *The sports official is not limited to exclusively officiating with the party engaging the services as a sports official.*

Subd. 3. [EMPLOYEE.] A sports official is an employee if all of the following criteria are substantially met.

(a) *The official is paid on an hourly, weekly, or similar time basis.*

(b) *The official must work at the times and places designated by the purchaser of the official's services, and is not free to reject assignments.*

(c) *The official is not free to sell the official's services to other parties while working for the purchaser.*

(d) *The relationship is terminable at will without any liability to the official.*

Sec. 129. [176C.34] [JOCKEYS]

Subdivision 1. [DEFINITION.] A jockey is a person who is licensed under Minnesota Statutes, chapter 240 to ride race horses for compensation as a jockey or apprentice jockey.

Subd. 2. [INDEPENDENT CONTRACTOR.] A jockey is an independent contractor with respect to the racetrack, trainer, and horse owner if all of the following criteria are substantially met.

(a) *Arrangements for rides are made by the jockey or by an agent of the jockey who receives a commission from the jockey.*

(b) *The jockey is free to ride the horses of any stable.*

(c) *The jockey is free to accept or reject a call.*

(d) *The jockey provides a saddle.*

(e) *The trainer instructs the jockey regarding the nature of the mount, the setup of the race, and the trainer's expectations of the running of the race. The jockey is free to disregard the instructions of the trainer, and may decide the route to be taken, the rate of speed of the horse, and similar matters regarding the running of the race.*

(f) *Payment is a fee paid on a per-race basis from the horseperson's account of the racetrack.*

Subd. 3. [EMPLOYEE.] A jockey is an employee of the trainer if all of the following criteria are substantially met.

(a) *The jockey rides only for the employing trainer or the jockey rides for other trainers only with the permission of the employing trainer.*

(b) *The jockey is not free to reject the employing trainer's call.*

(c) *The trainer provides or pays for the jockey's saddle.*

(d) *The jockey is not free to disregard the instructions of the trainer regarding the running of the race except for safety reasons.*

(e) *The jockey is paid a salary or wage by the trainer on a time rather than per-race basis; compensation usually includes room and board, and the wage may be paid from the horse-person's account at the racetrack.*

Sec. 130. [176C.35] [TRAINERS.]

Subdivision 1. [DEFINITION.] A trainer is a person who is licensed as a trainer under Minnesota Statutes, chapter 240.

Subd. 2. [INDEPENDENT CONTRACTOR.] A trainer is an independent contractor with respect to the racetrack and to the owners if all of the following criteria are substantially met.

(a) *The trainer sets a fee which covers the daily fee, and bills the owner for the day pay and any additional supplies or services incurred in the care of the horse.*

(b) *Tack, feed, board, and all supplies necessary for the ordinary care of the horse are provided by the trainer.*

(c) *The trainer has a substantial capital investment in tack, equipment, and supplies.*

(d) *The trainer makes all decisions regarding management of the horse while the horse is at the trainer's stable. If the trainer disagrees with instructions of the owner, the trainer is free to tell the owner to remove the horse from the trainer's care, and the owner must comply.*

(e) *The trainer is free to stable and train the horses of other owners.*

Subd. 3. [EMPLOYEE.] A trainer is an employee of an owner if all of the following criteria are substantially met.

(a) *The trainer is paid on salary, wage, or similar time basis.*

(b) *Tack, feed, board, equipment, and supplies for the care of the horse are provided by the owner.*

(c) *The stables are owned or operated by the owner of the horses.*

(d) *The trainer must comply with instructions of the owner regarding management of the horse, although the owner generally relies on the expertise of the trainer.*

(e) *The trainer may stable and train the horses of others only with the permission of the employing owner.*

(f) *The trainer's hours of work are set by the owner of the horse.*

Sec. 131. [176C.36] [GENERAL CRITERIA FOR NON-SPECIFIED OCCUPATIONS.]

Sections 176C.37 and 176C.38 shall be used to determine if an individual is an independent contractor or an employee where the occupation is not defined in sections 176C.02 to 176C.35. Additionally, these sections provide interpretative guidance where the occupation is defined but the safe harbor criteria for that occupation are not all substantially met. Where some but not all of the safe harbor criteria are substantially met, those criteria which are substantially met shall be considered evidence of that status, and shall control where a conflicting result for that criterion is indicated by sections 176C.37 and 176C.38.

Sec. 132. [176C.37] [CONTROL OF METHOD AND MANNER OF PERFORMANCE.]

Subdivision 1. [GENERALLY.] The most important factor in determining whether a person is an independent contractor is the degree of control which the purported employer exerts over the manner and method of performing the work contracted. The more control there is the more likely the person is an employee and not an independent contractor. Subdivisions 2 to 14 describe criteria for determining if there is control over the method of performing or executing services. The total circumstances, including the practices and the customs of the industry, must be considered to determine if control is present.

Subd. 2. [AUTHORITY OVER INDIVIDUAL'S ASSISTANTS.] Control over the individual is indicated when the employing unit hires and pays the individual's assistants and supervises the details of the assistants' work.

Subd. 3. [COMPLIANCE WITH INSTRUCTIONS.] Control is indicated when an individual is required to comply with detailed instructions about when, where, and how to work in-

cluding the order or sequence in which the service is to be performed. Mere suggestions as to detail, or necessary and usual cooperation where the work furnished is part of a larger undertaking, does not normally evince control. Some individuals may work without receiving instructions because they are highly proficient in their line of work; nevertheless, the control is present if the employing unit has the right to instruct or direct the methods for doing the work and the results achieved. Instructions may be oral or may be in the form of manuals or written procedures which show how the desired result is to be accomplished. However, instructions required by state or federal law or regulation or general instructions passed on by the employing unit from a client or customer, do not evince control.

Subd. 4. [ORAL OR WRITTEN REPORTS.] Control is indicated if regular oral or written reports relating to the method in which the services are performed must be submitted to the employing unit. Periodic reports relating to the accomplishment of a specific result may not be indicative of control if, for example, the reports are used to establish entitlement to partial payment based upon percentage of completion of a job, or the reports are needed to determine compliance with the terms of a contract. Completion of receipts, invoices, and other forms customarily used in the particular type of business activity or required by law does not constitute written reports.

Subd. 5. [PLACE OF WORK.] Control is indicated if work which could be done elsewhere is done on the employing units premises, especially when the work could be done elsewhere. When work is done off the premises, freedom from control is indicated except in occupations where the services are necessarily performed away from the premises of the employing unit.

Subd. 6. [PERSONAL PERFORMANCE.] Control is indicated if the services must be personally rendered to the employing unit. Personal performance of a very specialized work, when the worker is hired on the basis of professional reputation, as in the case of a consultant known in the academic and professional circles to be an authority in the field, is a less reliable indicator of control. Lack of control is indicated when an individual has the right to hire a substitute without the employing unit's knowledge or consent.

Subd. 7. [EXISTENCE OF CONTINUING RELATIONSHIP.] The existence of a continuing relationship between an individual and the person for whom the services are performed indicates the existence of an employment relationship. Continuing services may include work performed at frequently recurring, though somewhat irregular intervals, either on call of the employing unit or whenever work is available.

Subd. 8. [SET HOURS OF WORK.] The establishment of set hours of work by the employing unit indicates control. Where

fixed hours are not practical because of the nature of the occupation, a requirement that the worker work at certain times indicates control.

Subd. 9. [TRAINING.] Training of an individual by an experienced employee, by required attendance at meetings, and by other methods, indicates control, especially if the training is given periodically or at frequent intervals.

Subd. 10. [AMOUNT OF TIME.] Control is indicated where the worker must devote full time to the activity. Full time does not necessarily mean an eight-hour day or a five- or six-day week. Its meaning may vary with the intent of the parties, the nature of the occupation, and customs in the locality. Full-time services may be required even though not specified in writing or orally. For example, a person may be required to produce a minimum volume of business which compels the person to devote all working time to that business, or the person may not be permitted to work for anyone else.

Subd. 11. [SIMULTANEOUS CONTRACTS.] If an individual works for a number of persons or firms at the same time, lack of control is indicated.

Subd. 12. [TOOLS AND MATERIALS.] The furnishing of tools, materials, and supplies by the employing unit indicates control over the worker. When the worker furnishes these items, lack of control is indicated. Lack of control is not indicated if the individual provides tools or supplies customarily furnished by workers in the trade.

Subd. 13. [EXPENSE REIMBURSEMENT.] Payment by the employing unit of either the worker's approved business or traveling expenses, or both, indicates control over the worker. A lack of control is indicated when the worker is paid on a job basis and is responsible for all incidental expenses.

Subd. 14. [SATISFYING REQUIREMENTS OF REGULATORY AND LICENSING AGENCIES.] Control is not indicated where an employing unit is required to enforce standards or restrictions imposed by regulatory or licensing agencies.

Sec. 133. [176C.38] [INDEPENDENT CONTRACTOR OR EMPLOYEE, FACTORS TO CONSIDER.]

Subdivision 1. [FACTORS.] Among the factors to be considered, in addition to factors of control, when determining if services are those of an independent contractor or employee are those listed in subdivisions 2 to 9.

Subd. 2. [RIGHT TO DISCHARGE.] The right to discharge exists if the individual may be terminated with little notice, without cause, or for failure to follow specified rules or

methods. There is no right to discharge if an independent worker produces an end result which measures up to contract specifications. Contracts which provide for termination upon notice or for specified acts of nonperformance or default are not solely determinative of the right to discharge. Restrictions on the right to discharge because of a contract with a labor union or with other entities are not relevant for purposes of this subdivision.

Subd. 3. [AVAILABILITY TO PUBLIC.] If an individual makes services available to the general public on a continuing basis, independent contractor status is indicated. An individual's services are offered to the public by, among other things:

- (a) having an office and assistants;*
- (b) displaying a sign in front of a place of business;*
- (c) holding a business license;*
- (d) having a listing in a business director or a business listing in a telephone directory; or*
- (e) advertising in a newspaper, trade journal, or magazine.*

Subd. 4. [COMPENSATION ON JOB BASIS.] Independent contractor status is indicated by payment on a job basis rather than payment by the hour, week, or month. Payment on a job basis is customary where the worker is independent. Payment by the job may include a predetermined lump sum which is computed by the number of hours required to do the job at a fixed rate per hour or periodic partial payments based upon a percent of the total job price or the amount of the total job completed. The granting of a drawing account at stated intervals with no requirement for repayment of the excess drawn over commissions earned or the guarantee of a minimum salary indicates an employment relationship.

Subd. 5. [REALIZATION OF PROFIT OR LOSS.] Independent contractor status is indicated where an individual is in a position to realize a profit or suffer a loss as a result of the individual's services. Opportunity for higher earnings from piecework or commissions does not indicate an opportunity for profit or loss. An opportunity for profit or loss is indicated by the following factors, among others:

- (a) hire, direct, and pay assistants;*
- (b) provide own office, equipment, materials, or other facilities for doing the work;*
- (c) continuing and recurring financial liabilities or obligations, relating to the work;*

(d) profit or loss in the work depends upon the relationship of receipts to expenditures;

(e) expenses incurred in connection with the work are paid by the individual;

(f) specific jobs are performed for prices agreed upon in advance; and

(g) performance of the services affects the individual's business reputation, and not the business reputation of those who purchase the services.

Subd. 6. [TERMINATION.] The worker's right to terminate the working relationship with the purported employer at will and without incurring liability for noncompletion indicates employment. A requirement to provide notice of termination for some period in advance of the termination is not relevant for purposes of this subdivision. Independent contractor status is indicated where the individual agrees to complete a specific job, is responsible for its satisfactory completion, and is liable for failure to complete the job.

Subd. 7. [SUBSTANTIAL INVESTMENT.] A substantial investment by a person in facilities used in performing services for another indicates an independent contractor status. The furnishing of all necessary facilities by the employing unit indicates the absence of an independent contractor status. Facilities include equipment or premises necessary for the work, but not tools, instruments, clothing, and similar items that are provided by individuals working in employment as a common practice in their particular trade. Substantial investment means a monetary investment representing something of considerable worth, in relation to the overall requirements of the person's chosen profession, trade, occupation, or vocation. A substantial expenditure of time or money for an individual's education is not indicative of an independent contractor status.

Subd. 8. [RESPONSIBILITY.] If an employing unit is responsible for the negligence, personal behavior, and work actions of an individual in contacts with customers and the general public during times that services are performed for the employing unit, an employment relationship is indicated.

Subd. 9. [SERVICES FUNDAMENTAL TO BUSINESS.] Employment is indicated where the services provided are necessary to the fundamental business purpose for which the organization exists.

Sec. 134. Minnesota Statutes 1984, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer except that this does not apply to an individual who *has applied for or is receiving temporary partial compensation pursuant to (SECTION 176.101, SUBDIVISION 3K) chapter 176 or to an individual who has applied for but is not yet receiving temporary total compensation pursuant to chapter 176*; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under title II of the Social Security Act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply. If the computation of reduced benefits, required by this subdivision, is not a whole dollar amount, it shall be rounded down to the next lower dollar amount.

Sec. 135. [REPEALER.]

Minnesota Statutes 1984, sections 176.105, subdivisions 1, 2, and 3; 176.265; 176.431; 176.441; and 176.611, subdivisions 3 and 4, are repealed.

Sec. 136. [EFFECTIVE DATE.]

Section 70 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating the obligations and administration of the special compensation fund; restricting liability for out-of-state injuries; defining spendable weekly earnings; changing basis for calculating certain benefits; providing disability rating for certain losses; regulating the payment and right to benefits; eliminating minimum compensation in certain cases; compensation court of appeals; postponing initial adjustment of certain benefits; regulating attorneys' fees; relating to jurisdiction of issues of medical causation; providing for the administration of claims; providing for fees from state insurance fund; authorizing use of fees for administrative conferences; providing penalties; codifying regulations relating to permanent partial disability schedules and to independent contractors; eliminating supplementary benefits for new claims; amending Minnesota Statutes 1984, sections 176.011, subdivision 18, and by adding subdivisions; 176.012; 176.021, subdivision 1; 176.041, subdivisions 1, 2, 3, 4, and by adding a subdivision; 176.081, subdivisions 1 and 7; 176.101, subdivisions 1, 2, 3a, 3b, 3f, and 4, and by adding a subdivision; 176.103, subdivision 2; 176.104, subdivision 1; 176.105, subdivision 4; 176.111, subdivisions 6, 12, 15, and 20; 176.129, subdivision 8, and by adding a subdivision; 176.131, subdivisions 1a and 3; 176.132, subdivision 1; 176.135, subdivisions 1 and 1a; 176.155, subdivisions 1 and 5; 176.179; 176.225, subdivision 1; 176.231, subdivisions 1 and 10; 176.242, subdivision 2, and by adding a subdivision; 176.243, subdivision 3; 176.271; 176.291; 176.305, subdivision 1, and by adding a subdivision; 176.306, by adding a subdivision; 176.321, subdivisions 2 and 3; 176.341, by adding subdivisions; 176.351, subdivision 2; 176.361, subdivisions 1 and 2; 176.371; 176.411, subdivision 2; 176.421, subdivision 6; 176.461; 176.521, subdivision 3; 176.603; 176.611, subdivision 2; 176.645, subdivision 2; 176.83, subdivisions 2 and 11; 268.08, subdivision 3; Minnesota Statutes 1985 Supplement, section 176.101, subdivisions 3e and 3t; and 176.138; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; proposing coding for new law as Minnesota Statutes, chapters 176B and 176C; repealing Minnesota Statutes 1984, sections 176.105, subdivisions 1, 2, and 3; 176.265; 176.431; 176.441; and 176.611, subdivisions 3 and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1875, A bill for an act relating to health; creating a public corporation to provide health care services and research; providing that subsidiaries govern St. Paul Ramsey Medical Center and a physicians and dentists association; proposing coding for new law as Minnesota Statutes, chapter 246A; repealing Minnesota Statutes 1984, section 383A.41; as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [246A.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 27, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. [CORPORATION.] “Corporation” means the public corporation created by section 2.

Subd. 3. [HOSPITAL SUBSIDIARY CORPORATION.] “Hospital subsidiary corporation” means the subsidiary corporation created pursuant to section 6, subdivisions 1, clause (9), and 3, and charged with the governance and operation of the St. Paul Ramsey Medical Center.

Sec. 2. [246A.02] [CREATION OF CORPORATION.]

There is created a corporation which shall be public in nature. The corporation shall be known as The purpose of the corporation is to engage in the provision and delivery of health care and related services, including education and research.

Sec. 3. [246A.03] [BOARD OF DIRECTORS.]

Subdivision 1. [GOVERNANCE.] The corporation shall be governed by a board of directors consisting of 15 members. The initial members of the board shall be selected as specified in subdivision 2. The terms of office of members of the board shall be as provided in the corporation’s bylaws. No term of office will exceed three years.

Subd. 2. [SELECTION PANEL.] The chairperson of the Ramsey county board of commissioners, the chairperson of the St. Paul Ramsey Medical Center commission, and the chairperson of Ramsey clinic associates shall each appoint three persons to a selection panel. The selection panel shall name

the initial 15 members of the board of directors established in subdivision 1. When the initial members of the board of directors have taken office, the selection panel shall dissolve.

Subd. 3. [NOMINATING COMMITTEE.] Whenever a vacancy occurs on the board of directors of the corporation, whether through resignation, removal, expiration of a director's term of office, or otherwise, the board shall appoint a nominating committee composed of five members, at least one of whom shall be a member of the board of commissioners of Ramsey county. The nominating committee shall meet as soon as practicable for the purpose of nominating individuals to fill the vacancy. The nominating committee shall nominate two candidates in the event there is one vacancy on the board and 1-1/2 candidates for each vacancy should there be more than one vacancy to be filled. In the event an odd number of positions on the board is vacant, the nominating committee is authorized to propose the next highest whole number of candidates when applying the foregoing formula. The board shall elect individuals to fill any vacancy from those individuals nominated by the committee, but no director may vote if that director's position is to be filled by the election.

Subd. 4. [QUORUM.] Unless otherwise specified in the bylaws, eight members of the board of directors constitutes a quorum for the transaction of business.

Subd. 5. [BOARD MEETINGS.] Except when the bylaws prescribe otherwise:

(1) a meeting of the board of directors may be held at any place designated by the board;

(2) notice of every meeting shall be given;

(3) an act of the majority of the directors present at a meeting at which a quorum is present is the act of the board, except that a vote of a majority of the board shall be required to adopt the annual budget or to hire or discharge the chief executive officer;

(4)(a) A conference among directors, or among members of any committee designated by the board of directors, by any means of communication through which the participants may simultaneously hear each other during the conference, constitutes a meeting of the board, or the committee, if the same notice is given of the conference as would be required for a meeting, and if the number of persons participating in the conference would be sufficient to constitute a quorum at the meeting. Participation in a meeting in this manner constitutes personal presence at the meeting.

(b) A director may participate in a meeting of the board or any committee designated by the board not described in paragraph (a) by any means of communication through which the director, other persons so participating, and all persons physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting in this manner constitutes personal presence at the meeting.

Sec. 4. [246A.04] [OFFICERS.]

Subdivision 1. [ELECTION, APPOINTMENT.] (a) Unless the bylaws provide otherwise, the board of directors shall elect persons to exercise the functions of the offices of president, secretary, and treasurer and may elect or appoint any other officers and agents deemed to be necessary.

(b) Unless the bylaws prescribe that only directors may be officers, officers need not be directors.

(c) Any of the offices or functions of the offices may be held or exercised by the same person.

Subd. 2. [QUALIFICATIONS.] The president, secretary, and treasurer shall be adult natural persons. The bylaws may prescribe special qualifications for these offices.

Subd. 3. [REMOVAL.] An officer may be removed, with or without cause, by the persons authorized to elect or appoint officers. The removal is without prejudice to the officer's contract rights.

Subd. 4. [AUTHORITY, DUTIES.] (a) Officers have the authority and duties in the management of the business of the corporation that the bylaws prescribe or, in the absence of the prescription, as the board of directors determines.

(b) An officer shall discharge the duties in good faith and with the diligence and care which an ordinarily prudent person, in a like position and under similar circumstances, would exercise.

Sec. 5. [246A.05] [BYLAWS.]

Subdivision 1. [BOARD ADOPTS OR AMENDS.] The board of directors may adopt or amend bylaws which may contain any provision for the purpose of administering and regulating the affairs of the corporation not inconsistent with law.

Subd. 2. [PROCEDURE AND NOTICE.] The procedure for amending the bylaws shall be specified in the bylaws. Notice of the meeting at which the amendment shall be considered and notice of the amendment shall be given as provided in the bylaws.

Sec. 6. [246A.06] [CORPORATE POWERS.]

Subdivision 1. [AUTHORITY AND POWERS OF THE BOARD.] The corporation, through its board of directors, shall have the authority and all necessary power to do the following:

(1) prepare an annual budget governing the affairs of the corporation;

(2) hire and discharge a chief executive officer and assistants or other employees deemed necessary to carry out the corporation's affairs;

(3) establish personnel policies and a system of personnel management governing the employees of the corporation;

(4) acquire, encumber, hold, and convey through lease, purchase, gift, or otherwise any property, either real or personal;

(5) contract for the purchase of or furnishing of medical care and services, including the furnishing of medical care for the indigent;

(6) enter shared service and other cooperative ventures;

(7) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general;

(8) enter partnerships;

(9) incorporate other corporations, both for profit and not for profit;

(10) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations;

(11) own shares of stock in business corporations;

(12) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public;

(13) sue and be sued;

(14) continue as a public corporation perpetually;

(15) enter into obligations or contracts and do any act incidental to the transaction of its business or expedient to its purposes, including purchasing insurance;

(16) *acquire, hold, mortgage, pledge, or dispose of shares, bonds, securities, and other evidences of indebtedness of any domestic or foreign corporation, either profit or nonprofit and either public or private, and, if the owner thereof, to exercise all the rights, powers, and privileges of ownership, including the right to vote;*

(17) *conduct its affairs within and without this state;*

(18) *merge and consolidate with other corporations, domestic or foreign, organized for related purposes;*

(19) *make donations to other corporations, domestic or foreign, organized for related purposes;*

(20) *be a member of other corporations, whether domestic or foreign;*

(21) *obtain funds necessary for its operations by borrowing upon terms and conditions which the corporation finds to be in its best interests;*

(22) *accept from the United States, the state of Minnesota or its agencies or political subdivisions of government, and from private sources land, money, or other assistance;*

(23) *take any action relative to the delivery of health care services which could be taken by a nonprofit corporation under chapter 317, and shall, when so acting, have, in addition to any authority vested by law, the authority and legal capacity of a nonprofit corporation under chapter 317;*

(24) *pay a per diem and expenses to the members of the board of directors; and*

(25) *exercise any power conferred upon a private nonprofit corporation by chapter 317.*

Subd. 2. [OTHER POWERS.] The corporation shall have all the powers necessary and convenient for the operation, administration, management, and control of the corporation's affairs. The enumeration of specific powers in this chapter is not intended to restrict the power of the corporation to take any action which in the exercise of its discretion is necessary or convenient to further the purposes for which the corporation exists, and that is not otherwise prohibited by law, whether or not the power to take the action is necessarily implied from the powers expressly granted.

Subd. 3. [SUBSIDIARY CORPORATIONS.] Pursuant to the authority granted to the corporation in subdivision 1, clause (9), the corporation shall, at a minimum, create two subsidiary

corporations. One subsidiary corporation shall be charged with the governance and operation of the St. Paul Ramsey Medical Center. The other subsidiary corporation shall be an association of physicians and dentists. Both subsidiaries shall be governed by boards of directors that are elected by the corporation's board of directors. The bylaws of both subsidiaries must be ratified by the corporation's board of directors prior to taking effect.

Subd. 4. [EXCEPTION TO OTHER LAW.] Notwithstanding any law to the contrary, the hospital subsidiary corporation shall not be subject to the provisions of chapter 179A and sections 471.345 to 471.37. Notwithstanding any law to the contrary, any organization, association, partnership, or corporation created by, controlled by, or owned by the corporation shall not be subject to the provisions of chapters 13 and 179A, and sections 471.345 to 471.37 and 471.705.

Sec. 7. [246A.07] [CORPORATE SEAL.]

The corporation shall not have a corporate seal.

Sec. 8. [246A.08] [ANNUAL MEETING.]

Each year the corporation shall hold a meeting which must be open to the public. At this meeting the board of directors and the chief executive officers of the corporation shall report on the affairs of the corporation and goals for the future.

Sec. 9. [246A.09] [ANNUAL AUDIT.]

Each year an audit must be conducted regarding the corporation's finances. The audit must be conducted by an independent accountant selected by the board of directors and be performed in accordance with generally accepted accounting practices and auditing standards. The audit report must be available for public inspection.

Sec. 10. [246A.10] [PUBLIC DEPOSITORY.]

The corporation shall have jurisdiction over its accounts and payrolls and shall establish and maintain a public depository. The depository must be subject to chapter 118, except that the corporation shall determine the appropriate security. The corporation shall establish and maintain all necessary accounts. The corporation may establish reserve accounts, depreciation accounts, and working capital funds in order to operate on an accrual basis.

Sec. 11. [246A.11] [TRANSFER OF ASSETS.]

Subdivision 1. [TRANSFER.] Notwithstanding any other law to the contrary, Ramsey county and the city of St. Paul, or either of them, may lease any property, real or personal,

acquired by either or both for the establishment, operation, or maintenance of St. Paul Ramsey Medical Center, created by section 383A.41, or that has been turned over to the center for its use; however, the lease must only be to the corporation or one of its subsidiaries.

Subd. 2. [NO ADVERTISING OR BIDS.] *In the event Ramsey county and the city of St. Paul, or either of them, choose to exercise the authority granted in subdivision 1, they may do so without first advertising for bids and without receipt of any bids.*

Subd. 3. [CORPORATE STATUS.] *The corporation shall be considered a "public corporation" for purposes of section 465.035.*

Subd. 4. [REQUIREMENTS OF TRANSFER.] *In the event Ramsey county and the city of St. Paul, or either of them, choose to exercise the authority granted in subdivision 1, the lease must also address the following:*

(1) *continued primary use of the property for health and hospital services;*

(2) *indigent care; and*

(3) *consideration to be paid for the property.*

Subd. 5. [PROPERTY TRANSFER TO CORPORATION.] *All property, both real and personal, that is held by the St. Paul Ramsey Medical Center commission on the effective date of sections 1 to 27 is transferred to the corporation.*

Sec. 12. [246A.12] [TRANSITIONAL PROVISIONS; STATUS OF PRESENT EMPLOYEES.]

Subdivision 1. [EMPLOYEE TRANSFER.] *All employees of the St. Paul Ramsey Medical Center commission, section 383A.41, shall be transferred to the hospital subsidiary corporation.*

Subd. 2. [CURRENT POSITIONS.] *Each person holding a position with the St. Paul Ramsey Medical Center commission who has acquired permanent tenure or who was serving a probationary period on the effective date of this section may retain employment, seniority, and accrued benefits, including participation in deferred compensation programs. These persons shall not be subject to the Ramsey county civil service personnel system law and the rules related to it.*

Subd. 3. [CHARITABLE HOSPITAL ACT.] *Employees of the hospital subsidiary corporation shall be subject to the charitable hospitals act, sections 179.35 to 179.39.*

Subd. 4. [BARGAINING UNITS.] The hospital subsidiary corporation shall recognize existing bargaining units organized by employees of the St. Paul Ramsey Medical Center commission. The hospital subsidiary corporation shall recognize all current labor agreements and the terms of those agreements shall remain in force until the agreements expire by their terms.

Subd. 5. [RETIREMENT EXCLUSION.] Persons initially employed by the hospital subsidiary corporation following the effective date of this section shall be excluded from the definition of "public employee" pursuant to the public employees retirement act, chapter 353.

Subd. 6. [RETIREMENT ELECTION.] All employees transferred to the hospital subsidiary corporation pursuant to subdivision 2 shall continue to be included in the definition of "public employee" pursuant to the public employees retirement act, chapter 353. The transferred employees shall have the election to terminate their participation in the public employees retirement association created pursuant to chapter 353. Each transferred employee shall have the right to exercise the election annually on the anniversary date of initial employment by the St. Paul Ramsey Medical Center commission. If an employee exercises the right of election, the employee shall be entitled to any benefits that the employee would be entitled if the employee were terminating public employment. An employee exercising the right of election shall be entitled to participate in any retirement program established or negotiated by the hospital subsidiary corporation.

Subd. 7. [POLITICAL SUBDIVISION.] Solely for the purpose of establishing equitable compensation relationships, the hospital subsidiary corporation shall be considered a political subdivision pursuant to Laws 1984, chapter 651. This subdivision shall not be construed to mean that the hospital subsidiary corporation is a political subdivision for any other purpose.

Sec. 13. [246A.13] [TRANSFER OF RIGHTS.]

Subdivision 1. [CORPORATION AS CONTINUATION OF COMMISSION.] The hospital subsidiary corporation created by section 2 shall be considered a continuation of the St. Paul Ramsey Medical Center commission and not the creation of a new authority. The subsidiary corporation succeeds to all rights and contractual obligations of the commission with the same force and effect as if those rights and obligations had been continued in the commission itself.

Subd. 2. [PENDING MATTERS.] The hospital subsidiary corporation may conduct and complete a legal action, administrative proceeding, or other matter commenced by the

St. Paul Ramsey Medical commission before the effective date of sections 1 to 27, and still pending on that date, in the same manner, under the same conditions, and with the same effect as though the action, proceeding, or other matter were conducted or completed by the commission.

Subd. 3. [TRANSFER OF DOCUMENTS REQUIRED.] The St. Paul Ramsey Medical commission shall transfer and deliver to the hospital subsidiary corporation all contracts, books, bonds, plans, papers, records, and other property of every description within the jurisdiction or control of the commission.

Subd. 4. [TRANSFER OF FUNDS.] All unspent funds appropriated to the St. Paul Ramsey Medical Center commission are transferred and appropriated to the hospital subsidiary corporation.

Sec. 14. [246A.14] [LEGAL COUNSEL.]

The corporation and its subsidiaries may retain the Ramsey county attorney as its attorney and legal advisor. If legal services are provided by the Ramsey county attorney, the corporation and its subsidiaries shall reimburse Ramsey county for the services and the reimbursement is to be credited to the budget of the Ramsey county attorney.

Sec. 15. [246A.15] [BONDING AUTHORITY.]

Subdivision 1. [MUNICIPALITY.] The corporation shall be considered a "municipality" pursuant to section 475.51, subdivision 2, for purposes of bond issuance and shall have all the authority conferred on municipalities by chapter 475 unless that authority is modified in this section.

Subd. 2. [SALE OF BONDS.] Notwithstanding any enumerated powers, the corporation may issue and sell revenue bonds or other revenue obligations to finance capital improvements or for the acquisition and betterment of additional facilities to be utilized for the delivery of health care and related research or for other proper corporate purposes. The revenue bonds or other revenue obligations must be payable solely from all or a portion of the revenues of the corporation.

Subd. 3. [SECURITY FOR BONDS.] The bonds may be secured by a mortgage of the site and facilities, or any part of it. The bonds must be in an amount and shall mature as provided by resolution of the board of directors and may be issued in one or more series and shall bear a date or dates, bear interest at a rate or rates, be in a denomination or denominations, be in the form either coupon or registered, carry the conversion or registration privileges, have rank or priority, be executed in the

manner, be payable in medium of payment at the place or places, and be subject to the terms of redemption with or without premium as the resolution may provide. The bonds may be sold at public or private sale at a price or prices determined by the resolution. Notwithstanding any law to the contrary, the bonds must be fully negotiable. The corporation may enter into the covenants the board by resolution shall deem necessary and proper to secure payment of the bonds. The revenue bonds must state on their face that they are not payable from nor may be a charge upon any funds other than the revenues and property pledged or mortgaged for their payment, nor shall the corporation be subject to any liability on them or have the power to obligate itself to pay or pay the revenue bonds from funds other than the revenues and property pledged and mortgaged. No holder or holders of the bonds shall ever have the right to compel any exercise of any taxing power of Ramsey county or any other public body to pay the principal of or interest on any of them, nor to enforce payment of them against any property of Ramsey county, the corporation, or any other public body other than that expressly pledged or mortgaged for their payment.

Sec. 16. [246A.16] [OPEN MEETINGS.]

Subdivision 1. [CORPORATION AND HOSPITAL SUBSIDIARY SUBJECT TO OPEN MEETING LAW.] The corporation and the hospital subsidiary corporation shall each be a "public body" for purposes of the Minnesota open meeting law, section 471.705.

Subd. 2. [BOARD ACTION.] Notwithstanding any law to the contrary, the corporation and the hospital subsidiary corporation may meet in executive session to discuss and take action on contractual matters or matters relating to marketing activity.

Sec. 17. [246A.17] [GOVERNMENT DATA PRACTICES ACT.]

Subdivision 1. [POLITICAL SUBDIVISION.] The corporation and the hospital subsidiary corporation shall each be a "political subdivision" for purposes of the Minnesota government data practices act, chapter 13.

Subd. 2. [TRADE SECRET INFORMATION.] Notwithstanding any law to the contrary, data concerning contractual matters or matters relating to marketing activity of the corporation or any of its subsidiaries are "trade secret information" for purposes of classification under section 13.37, subdivision 2.

Sec. 18. [246A.18] [TORT LIABILITY.]

The corporation and the hospital subsidiary corporation shall each be a "municipality" for purposes of tort liability pursuant to chapter 466.

Sec. 19. [246A.19] [PURCHASING.]

Subdivision 1. [MUNICIPALITY STATUS.] The corporation shall not be a "municipality" pursuant to section 471.345, subdivision 1, for the purposes of the uniform municipal contracting law, sections 471.345 to 471.37.

Subd. 2. [SERVICE CONTRACTS.] Notwithstanding any law to the contrary, the corporation may purchase directly or utilize the services of a nonprofit cooperative hospital service organization, the city of St. Paul, the state, the University of Minnesota, or any other political subdivision or agency of the state in the purchase of all goods, materials, and services that the corporation may require. These purchases must be made in compliance with laws of the state, except that purchase through a nonprofit cooperative hospital service organization is not subject to sections 471.345 to 471.37.

Sec. 20. [246A.20] [PUBLIC EMPLOYMENT.]

Unless otherwise provided by sections 1 to 27, the employees of the corporation and its subsidiaries are not "public employees" and the corporation is not a "public employer" for purposes of the public employment labor relations act, chapter 179A and the public employees retirement act, chapter 353.

Sec. 21. [246A.21] [EMPLOYEE SALARY LIMITS AND COMPENSATION.]

Subdivision 1. [EMPLOYEE SALARIES.] Notwithstanding section 43A.17, subdivision 9, or any other law to the contrary, the corporation and its subsidiaries have the discretion to set all employee salaries at levels which are considered appropriate by the respective boards of directors.

Subd. 2. [EMPLOYEE COMPENSATION; CONSTRUCTION AND BUILDING TRADE.] The total compensation package, including wage plus benefit rates, of all employees that are members of a construction or building trade for which there is a generally established and recognized scale of wages inside the county, shall be equal to the total compensation package of private sector construction trade employees within the county as established by collective bargaining agreements.

Sec. 22. [246A.22] [WORKERS' COMPENSATION.]

Subdivision 1. [SELF-INSURANCE.] The corporation and its subsidiaries are exempt from insuring their liability for compensation and are permitted to self-insure their liability pursuant to section 176.181, subdivision 2.

Subd. 2. [BENEFITS.] The appointing authority may provide for the payment of additional benefits to employees from

their accumulated vacation, sick leave, or overtime credits if the employees of the corporation and any of its subsidiaries are entitled to the benefits of the workers' compensation law and have at the time of compensable injury accumulated credits under a vacation, sick leave, or overtime plan or system maintained by the corporation by which they are employed. The additional payments to an employee may not exceed the amount of the total sick leave, vacation, or overtime credits accumulated by the employee and shall not result in the payment of a total weekly rate of compensation that exceeds the weekly wage of the employee. The additional payments to any employee shall be charged against the sick leave, vacation, and overtime credits accumulated by the employee. Employees of the corporation and any of its subsidiaries entitled to the benefits of the workers' compensation law may receive additional benefits pursuant to a collective bargaining agreement or other plan, entered into or in effect on or after January 1, 1980, providing payments by or on behalf of the employer and these additional benefits may be unrelated to any accumulated sick leave, holiday, or overtime credits and need not be charged against any accumulation; provided that the additional payments must not result in the payment of a total weekly rate of compensation that exceeds the weekly wage of the employee. The corporation and its subsidiaries may adopt rules and regulations consistent with chapter 179 to carry out this section relating to payment of additional benefits to employees from accumulated sick leave, vacation, overtime credits, or other sources.

Sec. 23. [246A.23] [DEFERRED COMPENSATION; INDIVIDUAL ANNUITY CONTRACTS.]

Subdivision 1. [DEFERRAL OF COMPENSATION.] Notwithstanding any law to the contrary, at the request of an employee of the corporation or any of its subsidiaries, the appointing authority shall by payroll deduction defer the payment of part of the compensation of the employee, as provided in a written agreement between the employee and the appointing authority, in a manner that will qualify the deferred amount for benefits afforded under federal and state tax laws, regulations, and rulings.

Subd. 2. [ANNUITY CONTRACT.] At the request of an employee and as part of the employee's compensation arrangement, the corporation, or any of its subsidiaries may negotiate and purchase an individual annuity contract from a company licensed to do business in the state of Minnesota for an employee for retirement or other purposes and may make payroll allocations in accordance with the arrangement for the purpose of paying the entire premium due or to become due under the annuity contract. The allocation shall be made in a manner that will qualify the annuity premiums, or a portion of them, for the benefit afforded under section 403(b) of the Internal Revenue Code of 1954, or any equivalent provisions of subsequent federal income tax law. The employee is the owner of the contract and the em-

ployee's rights under the contract are nonforfeitable except for failure to pay premiums.

Sec. 24. [246A.24] [TAX EXEMPT STATUS.]

The corporation is an organization exempt from taxation pursuant to chapter 290 and chapter 297A.

Sec. 25. [246A.25] [PREPAID HEALTH PLAN.]

The hospital subsidiary corporation is a county affiliated public teaching hospital for purposes of section 256D.03, subdivision 4.

Sec. 26. [246A.26] [LIMITATIONS UPON CORPORATE POWERS.]

Subdivision 1. [ATTEMPTS TO INFLUENCE LEGISLATION.] The corporation shall not create propaganda or otherwise attempt to influence legislation to such an extent as would result in the loss of exemption under section 501(c)(3) of the Internal Revenue Code of 1954. The corporation shall not participate by the publication or distribution of statements or by any other means, in any political campaign on behalf of any candidate for public office.

Subd. 2. [USE OF INCOME.] No part of the assets or income of the corporation shall be used for objects or purposes which are not exclusively charitable, educational, or scientific under section 501(c)(3) of the Internal Revenue Code of 1954, and the laws of the state of Minnesota.

Subd. 3. [COMPENSATION LIMITATIONS.] No compensation or payment shall ever be made or paid to any officer, director, or trustee or the corporation except as reimbursement for actual expenditures made on behalf of the corporation and as reasonable compensation for services actually rendered. No part of the net earnings and assets of the corporation shall inure to the benefit of any private individual, nor shall any part of the income or assets of the corporation be distributed to or divided among any private individual as dividends or otherwise. The corporation shall not afford pecuniary gain, incidentally or otherwise, to its members except that the corporation may afford pecuniary gain to any member, as designated in the bylaws, that is a nonprofit corporation described in section 501(c)(3) of the Internal Revenue Code of 1954.

Subd. 4. [TRANSFER UPON LIQUIDATION.] In the event of the liquidation or dissolution of the corporation, the net assets of the corporation shall be distributed to an entity qualified for exemption under section 501(c)(3) of the Internal Revenue Code of 1954 or to any federal, state, or local governmental unit for use by it for public purposes.

Sec. 27. [246A.27] [INDIGENT CARE.]

Subdivision 1. [SERVICES.] The hospital subsidiary corporation shall provide hospital and medical services for the indigent of Ramsey county. The services shall be equivalent to those made available to nonindigent patients.

Subd. 2. [FUNDS.] Notwithstanding any law to the contrary, Ramsey county may provide funds for the purchase of medical care for the indigent of Ramsey county from a provider selected by the county with or without public bid.

Sec. 28. [REPEALER.]

Minnesota Statutes 1984, section 383A.41, as amended by Laws 1985, chapter 89, section 21, is repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 11, 12, 13, and 28 are effective when the initial board of directors take office according to section 3. Sections 1 to 10, and 14 to 27 are effective the day after the Ramsey county board files a certificate of local approval in compliance with section 645.021, subdivision 3."

Amend the title as follows:

Page 1, line 3, after "services" insert ", education,"

Page 1, line 4, delete "that subsidiaries govern" and insert "for governance of"

Page 1, line 5, after the first "and" insert "creation of" and delete "association" and insert "subsidiary"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1894, A bill for an act relating to environment; providing terms and conditions for the administration of wastewater treatment plant construction grants and loans; appropriating money; amending Minnesota Statutes 1984, sections 115.07, subdivision 1; 115A.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

Reported the same back with the following amendments:

Page 2, line 1, delete "from" and insert "by"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1918, A bill for an act relating to health; providing that mosquito research and management activities are not ecologically disruptive; amending Minnesota Statutes 1985 Supplement, section 144.95, subdivisions 1, 2, 3, 7, 9, and 10.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1945, A bill for an act relating to military affairs; authorizing the department of military affairs to purchase certain insurance; amending Minnesota Statutes 1984, section 15.38, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1950, A bill for an act relating to local government; providing immunity to municipalities for certain claims that occur as a result of the use of parks and recreation areas; amending Minnesota Statutes 1984, section 466.03, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [148.975] [LIMITATION ON LIABILITY; VIOLENT BEHAVIOR OF PATIENT.]

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

(b) "Practitioner" means a physician, psychologist, nurse, chemical dependency counselor, or social worker who is licensed by the state or who performs psychotherapy within a program or facility licensed by the state or established pursuant to rules adopted under section 62A.152.

(c) "Psychotherapy" means the professional treatment, assessment, or counseling of a mental or emotional illness, symptom, or condition.

Subd. 2. [LIABILITY STANDARD.] No monetary liability and no cause of action may arise against a practitioner for failing to predict, warn of, or take precautions to provide protection from, a patient's violent behavior, unless the patient has communicated to the practitioner or the practitioner has identified a specific, serious threat of physical violence against a specific, clearly identified or identifiable potential victim or victims.

Subd. 3. [DUTY TO WARN.] The duty to warn of, or take reasonable precautions to provide protection from, violent behavior arises only under the limited circumstances specified in subdivision 2. The duty is discharged by the practitioner if reasonable efforts are made to communicate the threat to the potential victim or victims and to notify the law enforcement agency closest to the patient's or potential victim's residence of the threat of violence.

Subd. 4. [DISCLOSURE OF CONFIDENCES.] No monetary liability and no cause of action, or disciplinary action by the state board of psychology, may arise against a practitioner for confidences disclosed to third parties in a good faith effort to discharge a duty arising under this section.

Sec. 2. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 6d. [PARKS AND RECREATION AREAS.] Any claim based upon the construction, operation, or maintenance of any property owned or leased by the municipality that is intended or permitted to be used as a park, as a playground, as an open area for recreational purposes, or for the provision of recreational services, or from any claim based on the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, if the claim arises from a loss incurred by a user of park and recreation property or services. Nothing in this subdivision limits the liability of a municipality for conduct that would entitle a trespasser to damages against a private person.

Sec. 3. Minnesota Statutes 1984, section 549.20, is amended by adding a subdivision to read:

Subd. 4. In a civil action, whether based on contract or tort, no original complaint, crossclaim, counterclaim, or third party claim that seeks unliquidated damages may assert a claim for punitive or exemplary damages. A complaint or claim may be amended to include a claim for punitive or exemplary damages by leave of the court only after discovery is completed. The court shall grant leave to amend the complaint or claim if the parties agree or if the moving party presents evidence supporting the claim for punitive or exemplary damages, and that evidence, in relation to the requirements of this section, is sufficient to withstand a motion for a directed verdict against the moving party on the claim for punitive or exemplary damages.

Any amendment made pursuant to this subdivision relates back to the date of the commencement of the original action for the purposes of any applicable statute of limitations.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1986, and apply to causes of action arising on or after that date. Section 3 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to civil liability; limiting the liability of practitioners for the violent acts of patients; providing immunity to municipalities for certain claims that occur as a result of the use of parks and recreation areas; providing for the manner of claiming punitive damages in civil actions; amending Minnesota Statutes 1984, sections 466.03, by adding a subdivision; 549.20, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 148."

With the recommendation that when so amended the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 1951, A bill for an act relating to human services; revising the community social services act; clarifying allocation of funds; expanding responsibilities of county boards; requiring the county boards to publish biennial plans relating to community social services; amending Minnesota Statutes 1984, sections 256E.05, subdivision 3; 256E.06, subdivision 2; 256E.09, subdivi-

sion 1; and Minnesota Statutes 1985 Supplement, section 256E.08, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 1953, A bill for an act relating to insurance; accident and health; regulating long-term care policies; requiring coverage for home health care and care in skilled or intermediate nursing facilities; amending Minnesota Statutes 1984, section 62A.31; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract or other evidence of accident and health insurance issued or delivered in this state shall be sold or issued to an individual age 65 or older covered by medicare unless the following requirements are met:

(a) The policy must provide a minimum of the coverage set out in subdivision 2;

(b) The policy must cover pre-existing conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured; and

(d) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium.

Subd. 1a. [APPLICATION TO CERTAIN POLICIES.] The requirements of sections 62A.31 to 62A.44 shall not apply to disability income protection insurance policies, *long-term care policies issued pursuant to sections 2 to 7*, or group policies of acci-

dent and health insurance which do not purport to supplement medicare issued to any of the following groups:

(a) A policy issued to an employer or employers or to the trustee of a fund established by an employer where only employees or retirees, and dependents of employees or retirees, are eligible for coverage.

(b) A policy issued to a labor union or similar employee organization.

(c) A policy issued to an association, a trust or the trustee of a fund established, created or maintained for the benefit of members of one or more associations. The association or associations shall have at the outset a minimum of 100 persons; shall have been organized and maintained in good faith for purposes other than that of obtaining insurance; shall have a constitution and by-laws which provide that (1) the association or associations hold regular meetings not less frequently than annually to further purposes of the members, (2) except for credit unions, the association or associations collect dues or solicit contributions from members, and (3) the members have voting privileges and representation on the governing board and committees.

Sec. 2. [62A.46] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 7.

Subd. 2. [LONG-TERM CARE POLICY.] "Long-term care policy" means an individual or group policy, certificate, subscriber contract, or other evidence of coverage that provides benefits for medically prescribed long-term care, including nursing facility services and home care services, pursuant to the requirements of sections 2 to 7. Sections 2 to 7 do not apply to a long-term care policy issued to any group specified in section 62A.31, subdivision 1a, clause (a) or (b).

Subd. 3. [NURSING FACILITY.] "Nursing facility" means (1) a facility that is licensed as a nursing home under chapter 144A; (2) a facility that is both licensed as a boarding care home under sections 144.50 to 144.56 and certified as an intermediate care facility for purposes of the medical assistance program; and (3) in states other than Minnesota, a facility that meets licensing and certification standards comparable to those that apply to the facilities described in clauses (1) and (2).

Subd. 4. [HOME CARE SERVICES.] "Home care services" means one or more of the following medically prescribed services for the long-term care and treatment of an insured that are provided by a home health agency in a noninstitutional setting according to a written diagnosis and plan of care:

(1) *nursing and related personal care services under the direction of a registered nurse, including the services of a home health aide;*

(2) *physical therapy;*

(3) *speech therapy;*

(4) *respiratory therapy;*

(5) *occupational therapy;*

(6) *nutritional services provided by a licensed dietician;*

(7) *homemaker services, meal preparation, and similar nonmedical services;*

(8) *medical social services; and*

(9) *other similar medical services and health-related support services.*

Subd. 5. [MEDICALLY PRESCRIBED LONG-TERM CARE.] "*Medically prescribed long-term care*" means a service, type of care, or procedure that is specified in a plan of care prepared by a physician and a registered nurse and is appropriate and consistent with the physician's diagnosis and that could not be omitted without adversely affecting the patient's illness or condition.

Subd. 6. [QUALIFIED INSURER.] "*Qualified insurer*" means an entity licensed under chapter 62A or 62C.

Subd. 7. [PHYSICIAN.] "*Physician*" means a medical practitioner licensed under sections 147.02, 147.03, 147.031, and 147.037.

Subd. 8. [PLAN OF CARE.] "*Plan of care*" means a written document prepared and signed by a physician and registered nurse that specifies medically prescribed long-term care services or treatment that are consistent with the diagnosis and are in accordance with accepted medical and nursing standards of practice and that could not be omitted without adversely affecting the patient's illness or condition.

Subd. 9. [INSURED.] "*Insured*" means a person covered under a long-term care policy.

Subd. 10. [HOME HEALTH AGENCY.] "*Home health agency*" means an entity that provides home care services and

is (1) certified for participation in the medicare program; or (2) licensed as a home health agency where a state licensing statute exists, or is otherwise acceptable to the insurer if licensing is not required.

Sec. 3. [62A.48] [LONG-TERM CARE POLICIES.]

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract, or other evidence of coverage of nursing home care or other long-term care services shall be offered, issued, delivered, or renewed in this state, whether or not the policy is issued in this state, unless the policy is offered, issued, delivered, or renewed by a qualified insurer and the policy satisfies the requirements of sections 2 to 7. A long-term care policy must cover medically prescribed long-term care in nursing facilities and at least the medically prescribed long-term home care services in section 2, subdivision 4, clauses (1) to (5), provided by a home health agency. Coverage must include a maximum lifetime benefit limit of at least \$100,000 for services. Nursing facility and home care coverages must not be subject to separate lifetime maximums. Coverage may include a waiting period of up to 90 days before benefits are paid. A requirement of prior hospitalization for up to three days may be imposed only for long-term care in a nursing facility. The policy must include a provision that the plan will not be canceled or renewal refused on the grounds of the deterioration of the health of the insured. A nongroup policyholder may return a policy within 30 days of its delivery and have the premium refunded in full, less any benefits paid under the policy, if the policyholder is not satisfied for any reason.

Subd. 2. [PER DIEM COVERAGE.] If benefits are provided on a per diem basis, the minimum daily benefit for care in a nursing facility must be the lesser of \$60 or actual charges and the minimum daily benefit for home care must be the lesser of \$25 or actual charges. If home care services are provided less frequently than daily, the minimum benefit is the lesser of actual charges or an amount determined by multiplying the number of days of the period during which services will be provided, or a reasonable interval of the service period, by \$25 and dividing the resulting amount by the number of days during this period on which home care services were rendered.

Subd. 3. [EXPENSE-INCURRED COVERAGE.] If benefits are provided on an expense-incurred basis, a benefit of not less than 80 percent of covered charges for medically prescribed long-term care must be provided.

Subd. 4. [LOSS RATIO.] The anticipated loss ratio for long-term care policies must not be less than 65 percent for policies issued on a group basis or 60 percent for policies issued on an individual or mass-market basis.

Sec. 4. [62A.50] [DISCLOSURES AND REPRESENTATIONS.]

Subdivision 1. [SEAL OR EMBLEMS.] No graphic seal or emblem shall be displayed on any policy, or in connection with promotional materials on policy solicitations, that may reasonably be expected to convey to the purchaser that the policy form is approved, endorsed, or certified by a state or local unit of government or agency, the federal government, or a federal agency.

Subd. 2. [CANCELLATION NOTICE.] Long-term care policies issued on a nongroup basis must have a notice prominently printed on the first page of the policy stating that the policyholder may return the policy within 30 days of its delivery and have the premium refunded in full if the policyholder is not satisfied for any reason. A solicitation for a long-term care policy to be issued on a nongroup basis pursuant to a direct-response solicitation must state in substance that the policyholder may return the policy within 30 days of its delivery and have the premium refunded in full if the policyholder is not satisfied for any reason.

Subd. 3. [DISCLOSURES.] No long-term care policy shall be offered or delivered in this state, whether or not the policy is issued in this state, and no certificate of coverage under a group long-term care policy shall be offered or delivered in this state, unless a statement containing at least the following information is delivered to the applicant at the time the application is made:

(1) a description of the benefits and coverage provided by the policy;

(2) a statement of the exceptions and limitations in the policy including the following language, as applicable, in bold print: "THIS POLICY DOES NOT COVER ALL NURSING CARE FACILITIES OR NURSING HOME OR HOME CARE EXPENSES AND DOES NOT COVER RESIDENTIAL CARE. READ YOUR POLICY CAREFULLY TO DETERMINE WHICH FACILITIES AND EXPENSES ARE COVERED BY YOUR POLICY.";

(3) a statement of the renewal provisions including any reservation by the insurer of the right to change premiums;

(4) a statement that the outline of coverage is a summary of the policy issued or applied for and that the policy should be consulted to determine governing contractual provisions;

(5) an explanation of the policy's loss ratio including at least the following language: "This means that, on the average, policyholders may expect that \$ of every \$100 in premium

will be returned as benefits to policyholders over the life of the contract.”; and

(6) a statement of the out-of-pocket expenses, including deductibles and copayments for which the insured is responsible, and an explanation of the specific out-of-pocket expenses that may be accumulated toward any out-of-pocket maximum as specified in the policy.

Sec. 5. [62A.52] [REVIEW OF PLAN OF CARE.]

The insurer may review an insured's plan of care at reasonable intervals, but not more frequently than once every 90 days.

Sec. 6. [62A.54] [PROHIBITED PRACTICES.]

Unless otherwise provided for in sections 1 to 7, the solicitation or sale of long-term care policies is subject to the requirements and penalties applicable to the sale of medicare supplement insurance policies as set forth in sections 62A.31 to 62A.44.

Sec. 7. [62A.56] [RULEMAKING.]

The commissioner may adopt rules pursuant to chapter 14 to carry out the purposes of sections 2 to 7. The rules may:

(1) establish additional disclosure requirements for long-term care policies designed to adequately inform the prospective insured of the need and extent of coverage offered;

(2) prescribe uniform policy forms in order to give the purchaser of long-term care policies a reasonable opportunity to compare the cost of insuring with various insurers; and

(3) establish other reasonable minimum standards as needed to further the purposes of sections 2 to 7.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective June 1, 1986.”

Amend the title as follows:

Page 1, line 6, after “62A.31” insert “, subdivision 1”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Financial Institutions and Insurance.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred :

H. F. No. 1970, A bill for an act relating to state lands ; prescribing appraisal for conveyance of surplus state land in Dakota county to city of Hastings ; amending Laws 1985, chapter 61, section 1.

Reported the same back with the following amendments :

Page 1, line 15, strike "before January 1, 1986" and delete "1987"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred :

H. F. No. 2005, A bill for an act relating to labor ; regulating grants to area labor-management committees ; amending Minnesota Statutes 1985 Supplement, sections 179.81, subdivision 2, and by adding a subdivision ; 179.84 ; and 179.85.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred :

H. F. No. 2021, A bill for an act relating to game and fish ; affording protection to crows and authorizing a season on crows ; amending Minnesota Statutes 1984, sections 100.26, subdivision 2 ; and 100.27, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred :

H. F. No. 2037, A bill for an act relating to unemployment compensation ; providing that benefits resulting from acts of

God are nonchargeable to an employer's account; amending Minnesota Statutes 1984, section 268.06, subdivisions 5 and 24.

Reported the same back with the following amendments:

Page 2, lines 13 to 19, delete the new language and insert "*, or (2) that is located in a county that is designated as a distressed county under 297A.257 and that is directly caused by a fire where 70 percent or more of the employees in the employing unit become unemployed as a result, if the employing unit rebuilds the structures destroyed by fire in an area designated at the time of the fire as a distressed county, the employer shall be subject to payment of contributions at a rate equal to that of a new employer under this chapter. Benefits shall be charged to the employer's account where the unemployment is caused by the intentional act of the employer or a person acting on behalf of the employer*"

Pages 2 and 3, delete section 2 and renumber the remaining section

Amend the title as follows:

Page 1, line 5, delete "subdivisions" and insert "subdivision" and delete "and 24"

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2039, A bill for an act relating to housing; extending the interest reduction program; amending Minnesota Statutes 1985 Supplement, section 462.445, subdivision 13.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2051, A bill for an act relating to the city of St. Paul; permitting the establishment of special service districts in the city and providing taxing and other authority.

Reported the same back with the following amendments:

Page 1, line 12, delete “, but not limited to”

Page 1, delete lines 17 and 18

Page 1, line 19, delete “(4)” and insert “(3)”

Page 1, line 20, delete the period and insert “; and”

Page 1, after line 20, insert:

“(4) the repair, maintenance, operation, and replacement of improvements constructed or to be constructed as part of the Highland Village Improvement Project and the Grand Avenue Neighborhood Partnership projects, which are within the boundaries of the special service districts established under section 2, subdivision 1.”

Page 3, line 16, delete “all classes of”

Page 3, line 17, delete “taxable property excluding homestead property” and insert “properties within zoning districts classified by the city of St. Paul as OS-1, B-1, B-2, B-2C, B-3, I-1, and P-1,”

Page 3, line 24, delete everything after the period

Page 3, delete lines 25 to 27

Page 3, line 28, delete “sufficient to pay for the increase.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2068, A bill for an act relating to the city of Litchfield; permitting certain investments of municipal power agency funds.

Reported the same back with the following amendments:

Page 1, line 10, after “loan” delete “money of the agency not” and insert “\$750,000 from the public utility fund”

Page 1, line 11, delete “required for immediate use”

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2071, A bill for an act relating to local government; regulating payment of severance pay; amending Minnesota Statutes 1984, section 465.72.

Reported the same back with the following amendments:

Page 2, delete lines 6 to 15, and insert *“requiring that severance pay be paid within five years of retirement or termination of employment and the provisions of Minnesota Statutes, section 465.72, limiting severance pay to an amount equal to one year of pay do not apply to severance pay to governmental subdivision employees in the form of payment of accumulated sick leave that is used to make contributions on behalf of the former employee toward premiums for group insurance policies provided by the governmental subdivision.*

This subdivision applies only to payments made prior to the effective date of this act or to payments under contracts in existence on the effective date of this act. Any payments of severance pay made by governmental subdivisions according to this section before the effective date of this act are validated.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 2072, A bill for an act relating to human services; providing for computer services to comply with long-term sheltered employment program evaluation criteria and for training and employment of persons with disabilities; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 129A.08, is amended by adding a subdivision to read:

Subd. 7. [GRANTS.] The commissioner may use funds allocated to the division of vocational rehabilitation for management information systems to provide grants to long-term sheltered workshops to finance and purchase equipment necessary to: (1) provide the information required to comply with the evaluation criteria developed under subdivision 5; (2) increase sheltered

worker productivity; and (3) train severely disabled people in computer and other high-technology applications. As a condition of receiving a grant for the purposes of (2) or (3) above, the commissioner shall require workshops to provide matching funds."

Delete the title and insert:

"A bill for an act relating to human services; providing for computer services to comply with long-term sheltered employment program evaluation criteria and for training and employment of persons with disabilities; amending Minnesota Statutes 1984, section 129A.08, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2089, A bill for an act relating to employment; regulating systems of sharing or pooling gratuities; defining service charges; amending Minnesota Statutes 1984, section 177.23, subdivision 9; Minnesota Statutes 1985 Supplement, section 177.24, subdivision 3.

Reported the same back with the following amendments:

Page 2, line 24, after "to" insert "initiate or"

Page 2, line 28, after "system" insert "that shall be limited to the direct service employees serving the same customer"

Page 2, line 30, delete everything after the period

Page 2, delete lines 31 and 32

Page 2, line 33, delete "employees." and insert "If an employee requests the employer to distribute a portion of the employee's tips, the amount of which shall be determined by the employee, to other employees, the employer shall be permitted to do so."

Page 2, line 33, before "The" insert "Neither" and after "employer" insert "nor any management personnel" and delete "not"

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2097, A bill for an act relating to charitable gambling; providing an exemption from regulation to organizations conducting certain raffles; amending Minnesota Statutes 1984, section 349.214, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 349.214, is amended by adding a subdivision to read:

Subd. 4. [LAWFUL GAMBLING EVENTS.] An organization that meets the qualifications for licensing in section 349.14 may hold not more than five events in a calendar year at which lawful gambling is conducted without complying with sections 349.12 to 349.14 and 349.151 to 349.212 if:

(1) the organization does not conduct lawful gambling on more than five days in any calendar year; and

(2) total prizes for all forms of lawful gambling awarded by the organization at all events in a calendar year does not exceed \$50,000. Merchandise prizes must be valued at their fair market value.

Sec. 2. [349.171] [POSTED INFORMATION.]

The board shall require by rule that each organization which posts or disseminates advertisements, signs, posters, or other devices which announce that a share of the proceeds are used for a specified lawful purpose must use the term "net proceeds" in describing that share. The rule must require such other information in each such device which the board determines is necessary adequately to inform the public that only the net proceeds from lawful gambling after permitted deductions are devoted to lawful purposes."

Delete the title and insert:

"A bill for an act relating to charitable gambling; providing an exemption from regulation to organizations conducting certain raffles; requiring the charitable gambling control board to require by rule the posting of certain information; amending Minnesota Statutes 1984, section 349.214, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 349."

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2111, A bill for an act relating to the city of Medina; authorizing a payment by the city for utility construction.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2131, A bill for an act relating to local government; permitting the establishment of special service districts in the city of Mendota Heights; providing taxing and other financial authority for the city.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2132, A bill for an act relating to metropolitan government; providing for the appointment of a senior citizen to the regional transit board; amending Minnesota Statutes 1985 Supplement, section 473.373, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 24, delete "*The*" and insert "*At least one of the members appointed by the council must be*"

Page 1, line 25, delete "*council shall also appoint one additional member who is*"

Page 2, line 1, after "*age*" delete "*or older and a resident of the metropolitan area for an*" and insert "*at the time of the appointment.*"

Page 2, lines 2 and 3, delete the new language

With the recommendation that when so amended the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 2143, A bill for an act relating to utilities; permitting certain energy cost adjustments; amending Minnesota Statutes 1984, section 216B.16, subdivision 7.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 2156, A bill for an act relating to traffic regulations; extending the prohibition against wearing headphones while operating a motor vehicle to include bicycles; amending Minnesota Statutes 1984, section 169.471, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2183, A bill for an act relating to labor; creating the labor interpretative center; establishing an advisory council governing policies and program purposes; appropriating money.

Reported the same back with the following amendments:

Page 2, delete section 2

Amend the title as follows:

Page 1, line 4, delete “; appropriating money”

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2185, A bill for an act relating to state government; providing for the use, administration, or disposal of cer-

tain fees and property within the jurisdiction of the commissioner of administration; amending Minnesota Statutes 1985 Supplement, sections 16B.29; 16B.42, subdivision 4; and 16B.48, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2187, A bill for an act relating to Olmsted county; increasing the amount the county board may appropriate annually for use as a contingent fund; amending Laws 1965, chapter 433, section 1, as amended.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2188, A bill for an act relating to local government; permitting the establishment of special service districts in the cities of Cambridge and Lindstrom; providing taxing and other powers to the cities of Cambridge and Lindstrom.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2209, A bill for an act relating to agriculture; establishing a windbreak management program; exempting certain windbreaks from property taxes; providing a state-paid windbreak credit; appropriating money; amending Minnesota Statutes 1985 Supplement, section 272.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 40 and 273.

Reported the same back with the following amendments:

Page 1, line 12, after "6" insert "*and 8*"

Page 2, line 5, after the period delete the remainder of the line

Page 2, delete line 6

Page 2, line 7, delete everything before "The"

Page 5, line 14, delete "must" and insert "may"

Page 5, line 15, delete "conservation reserve" and insert "wind-break management"

Page 5, line 17, delete "permanent cover" and insert "wind-break planting"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2216, A bill for an act relating to land surveying; providing for the surveying of lands by a county board; providing for the establishment of an office of county auditor or the assignment of its duties; providing a penalty; amending Minnesota Statutes 1984, sections 381.01; 381.02; 381.03; 381.04; 381.05; 381.06; 381.07; 381.08; 381.09; 381.10; 381.12; 381.13; 389.011; 389.02; 389.03; 389.04; 389.08; Minnesota Statutes 1985 Supplement, section 389.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 381; repealing Minnesota Statutes 1984, section 389.06.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 2257, A bill for an act relating to horse racing; modifying certain set-asides for purses; modifying certain tax provisions; amending Minnesota Statutes 1984, section 240.15, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, section 240.13, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 240.13, subdivision 5, is amended to read:

Subd. 5. [PURSES.] (a) From the amounts deducted from all pari-mutuel pools by a licensee *which is not located in the seven-county metropolitan area*, an amount equal to not less than five percent of all money in all pools must be set aside by the licensee and used for purses for races conducted by him.

(b) *From the amounts deducted for all pari-mutuel pools by a licensee which is located in the seven-county metropolitan area, an amount equal to seven percent of all money in all pools must be set aside by the licensee and used for purses for races conducted by it.*

(c) The commission may by rule provide for the administration and enforcement of this subdivision.

Sec. 2. Minnesota Statutes 1984, section 240.15, subdivision 1, is amended to read:

Subdivision 1. [TAXES IMPOSED.] (a) There is imposed on the total amount bet on all pari-mutuel pools on each racing day a tax at the following rates:

(1) For each racing day in a calendar year *at a licensed racetrack located outside the seven-county metropolitan area* on which the total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year does not exceed \$48,000,000, 1-3/4 percent of the total amount bet in all pari-mutuel pools.

(2) *For each racing day in a calendar year at a licensed racetrack located outside the seven-county metropolitan area on which the total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year exceeds \$48,000,000 but does not exceed \$150,000,000, 2-1/2 percent of the total amount bet in all pari-mutuel pools.*

(3) For each racing day in a calendar year *at a licensed racetrack located outside the seven-county metropolitan area* after the racing day on which the total amount bet in all pari-mutuel pools at the same licensed racetrack in the same calendar year exceeds (\$48,000,000) \$150,000,000, six percent of the total amount bet in all pari-mutuel pools.

(4) *For a licensed racetrack located within the seven-county metropolitan area, until July 1, 1987, or until the date on which the total amount bet at that racetrack in all pari-mutuel pools since January 1, 1986, exceeds \$161,000,000, whichever occurs first:*

(a) for each racing day in a calendar year on which the total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year, does not exceed \$48,000,000, 1-3/4 percent of the total amount bet in all pari-mutuel pools.

(b) for each racing day in a calendar year on which the total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year exceeds \$48,000,000, six percent of the total amount bet in all pari-mutuel pools.

(5) For a licensed racetrack located within the seven-county metropolitan area, for the period beginning July 1, 1987, and ending December 31, 1987:

(a) for each racing day on which the total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days since July 1, 1987, does not exceed \$100,000,000, one percent of the total amount bet in all pari-mutuel pools.

(b) for each racing day on which the total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days since July 1, 1987, exceeds \$100,000,000, four percent of the total amount bet in all pari-mutuel pools.

(6) For a licensed racetrack located within the seven-county metropolitan area after December 31, 1987:

(a) for each racing day in a calendar year on which the total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year does not exceed \$150,000,000, 2-1/2 percent of the total amount bet in all pari-mutuel pools.

(b) for each racing day in a calendar year on which the total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year, exceeds \$150,000,000, four percent of the total amount bet in all pari-mutuel pools.

In addition to the above tax, the licensee in the seven-county metropolitan area must designate and pay to the commission a tax for deposit in the Minnesota breeders fund (, AT THE FOLLOWING RATES:)

((1) FOR RACING DAYS ON WHICH THE STATE TAX UNDER CLAUSE (A)(1) IS 1-3/4 PERCENT, ONE-HALF PERCENT OF THE TOTAL AMOUNT BET IN ALL PARI-MUTUEL POOLS.))

(2) FOR RACING DAYS ON WHICH THE STATE TAX UNDER CLAUSE (A)(2) IS SIX PERCENT, ONE PERCENT OF THE TOTAL AMOUNT BET IN ALL PARI-MUTUEL POOLS) of one percent of the total amount bet on each day, and a licensee which is not in the seven-county metropolitan area must designate and pay to the commission a tax for deposit in the Minnesota breeders fund of one-half percent on the total amount bet on each day.

The taxes imposed by this clause must be paid from the amounts permitted to be withheld by a licensee under section 240.13, subdivision 4.

(b) The commission shall impose on each paid admission to each licensed racetrack on a racing day a tax of 40 cents. It may impose an additional admissions tax of not more than ten cents at any licensed racetrack if:

(1) the additional tax is requested by a local unit of government within whose borders the track is located;

(2) a public hearing is held on the request; and

(3) the commission finds that the local unit of government requesting the additional tax is in need of its revenue to meet extraordinary expenses caused by the racetrack.

Sec. 3. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to horse racing; modifying certain set-asides for purses; modifying certain tax provisions; amending Minnesota Statutes 1984, section 240.15, subdivision 1; Minnesota Statutes 1985 Supplement, section 240.13, subdivision 5."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2292, A bill for an act relating to counties; clarifying county commissioner conflict of interest provisions; authorizing counties to develop and market computer software prod-

ucts; providing a method for consolidation of the offices of county auditor and county treasurer; changing certain referendum provisions for adoption of optional forms of county government; amending Minnesota Statutes 1984, sections 375.09; 375.18, subdivision 7; 375A.11, subdivision 3; 375A.12, subdivisions 3 and 4; and 383C.17; proposing coding for new law in Minnesota Statutes, chapter 375; repealing Minnesota Statutes 1984, sections 394.01 to 394.05.

Reported the same back with the following amendments:

Page 2, line 28, before "APPLICATION" insert "NONPUBLIC DATA;"

Page 2, line 29, delete "*Subdivision 1.* [NONPUBLIC DATA.]"

Page 2, delete lines 34 to 36

Page 3, delete line 1

Page 4, after line 26, insert:

"Sec. 11. [EFFECTIVE DATE.]

Section 1 does not become effective for any county commissioner currently holding two elected offices until the term of one of the offices expires."

With the recommendation that when so amended the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2294, A bill for an act relating to labor; independent school district No. 709, Duluth; removing certain educational assistants from civil service; amending Laws 1967, chapter 252, section 2, as amended.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2317, A bill for an act relating to corporations; providing for the resignation of registered agents of foreign corpo-

rations; amending Minnesota Statutes 1984, section 303.10, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2329, A bill for an act relating to Dakota county; authorizing the issuance of bonds for the construction of library buildings and an annual levy for debt retirement.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2338, A bill for an act relating to employment; providing training opportunities for technically qualified individuals who may be exposed to hazardous substances, harmful physical agents, or infectious agents; amending Minnesota Statutes 1985 Supplement, section 182.653, subdivisions 4b, 4c, and 4f.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 2364, A bill for an act relating to transportation; railroads; permitting transportation regulation board to approve certain rate changes and applications for track abandonment or discontinuance of service in certain cases without a public hearing; amending Minnesota Statutes 1984, section 221.041, subdivision 1; Minnesota Statutes 1985 Supplement, sections 219.741; and 219.85.

Reported the same back with the following amendments:

Page 3, after line 28, insert:

"Sec. 4. Minnesota Statutes 1984, section 221.291, subdivision 3, is amended to read:

Subd. 3. [TRANSPORTATION OF HAZARDOUS MATERIALS.] A person who ships, transports, or offers for transportation hazardous waste or hazardous material in violation of a provision of this chapter or a rule or order of the commissioner or board adopted or issued under this chapter which specifically applies to the transportation of hazardous material or hazardous waste is guilty of a misdemeanor (AND UPON CONVICTION SHALL BE FINED NOT LESS THAN THE MAXIMUM FINE WHICH MAY BE IMPOSED FOR A MISDEMEANOR FOR EACH VIOLATION)."

Amend the title as follows:

Page 1, line 6, after the semicolon insert "providing for imposition of misdemeanor penalty for certain violations relating to movement of hazardous materials;"

Page 1, line 7, delete "section" and insert "sections" and after the semicolon insert "and 221.291, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 2365, A bill for an act relating to transportation; clarifying procedures in certain contested matters brought before the transportation regulation board; amending Minnesota Statutes 1984, sections 174A.02, subdivision 4; and 216A.05, subdivision 5.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 2370, A bill for an act relating to transportation; railroads; permitting the transportation regulation board to grant clearance variances without evidentiary hearings in certain cases; amending Minnesota Statutes 1985 Supplement, section 219.47, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2371, A bill for an act relating to commerce; providing for the repeal of statutory law regulating entertainment agencies; repealing Minnesota Statutes 1984, sections 184A.01 to 184A.20.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Levi from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 363, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state treasurer, state auditor, and secretary of state into the office of state comptroller; providing that the first comptroller would be elected in 1990; transferring the powers, responsibilities, and duties of the state auditor, the secretary of state, and the state treasurer to the state comptroller.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Levi from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 40, A house resolution congratulating Mankato West High School for winning the 1986 Minnesota State Academic Decathlon.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 124, 397, 1611, 1732, 1746, 1767, 1803, 1863, 1873, 1875, 1918, 1945, 1950, 1951, 1970, 2005, 2021, 2037, 2051, 2068, 2071, 2072, 2089, 2097, 2111, 2131, 2132, 2143, 2156, 2183, 2185, 2187, 2188, 2216, 2292, 2294, 2317, 2329, 2338, 2364, 2365, 2370 and 2371 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1575, 1587, 1597 and 363 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced :

Krueger; Anderson, G.; Kalis; McEachern and Welle introduced :

H. F. No. 2375, A bill for an act relating to insurance; prohibiting certain tying arrangements; providing deposit requirements for domestic companies; extending coverage under the insurance guaranty association act; extending certain filing, approval, and disapproval dates; broadening fair plan coverage; regulating fraternal benefit societies; regulating forms; amending Minnesota Statutes 1984, sections 60A.06, by adding a subdivision; 60C.09, subdivision 1; 62A.02, subdivisions 2 and 3; 62A.17, subdivision 2; 62B.07, subdivisions 2 and 3; 62C.14, subdivision 10; 62E.14, subdivision 3; 62F.06, subdivision 1; 62F.09; 62G.16, subdivision 9; 65A.32; 65A.33; 65A.34, subdivision 1; 65A.35, subdivisions 1 and 2; 65A.37; 70A.06, subdivision 2; 70A.08, by adding a subdivision; 72A.13, subdivision 1; Minnesota Statutes 1985 Supplement, sections 60A.10, subdivision 1; 64B.03; and 64B.06.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Johnson, Lieder, Valan, Waltman and Jennings, L., introduced :

H. F. No. 2376, A bill for an act relating to transportation; bonding; reallocating proceeds of bridge bonds to counties and cities; appropriating money; amending Laws 1979, chapter 280, section 2, as amended.

The bill was read for the first time and referred to the Committee on Transportation.

Munger; Murphy; Jaros; Carlson, D., and Battaglia introduced :

H. F. No. 2377, A bill for an act relating to the Duluth zoo; appropriating money for its costs.

The bill was read for the first time and referred to the Committee on Appropriations.

Hartle, Norton, Boo, Blatz and Sherman introduced :

H. F. No. 2378, A bill for an act relating to financial institutions; permitting additional detached facilities; amending Minnesota Statutes 1984, sections 47.52; and 49.34, subdivision 2.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Johnson; Sparby; Redalen; Anderson, G., and McDonald introduced :

H. F. No. 2379, A bill for an act relating to wildlife; providing for a wildlife damage abatement and claims program.

The bill was read for the first time and referred to the Committee on Agriculture.

Boerboom introduced :

H. F. No. 2380, A bill for an act relating to education; independent school district No. 409, Tyler; permitting a fund transfer.

The bill was read for the first time and referred to the Committee on Education.

Segal introduced :

H. F. No. 2381, A bill for an act relating to crimes; making it a felony to assault or injure a pregnant woman; expanding the crime of criminal vehicular operation; imposing penalties; amending Minnesota Statutes 1984, sections 609.035; and 609.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Uphus, McDonald, Piepho, Erickson and Beard introduced :

H. F. No. 2382, A bill for an act relating to crimes; making it a misdemeanor to engage in or recklessly permit "hazing"; authorizing civil actions against student organizations for damages relating to "hazing"; proposing coding for new law in Minnesota Statutes, chapters 127 and 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Blatz introduced:

H. F. No. 2383, A bill for an act relating to retirement; authorizing the purchase of prior service credit for a certain city health administrator.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Dyke introduced:

H. F. No. 2384, A bill for an act relating to public safety; drivers' licenses; providing conditions for requiring physician reports for driver's license applicants who are subject to periods of unconsciousness; proposing coding for new law in Minnesota Statutes, chapter 171.

The bill was read for the first time and referred to the Committee on Transportation.

Schreiber introduced:

H. F. No. 2385, A bill for an act relating to public indebtedness; providing for the power of municipalities to enter into repurchase and reverse repurchase agreements with qualified dealers; providing for the safekeeping of investments by qualified dealers; amending Minnesota Statutes 1984, section 475.66, subdivision 2; and Minnesota Statutes 1985 Supplement, sections 475.66, subdivision 1; and 475.76, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Sparby introduced:

H. F. No. 2386, A bill for an act relating to human services; providing for a 45-day residency requirement in Minnesota for general assistance; proposing coding for new law in Minnesota Statutes, chapter 256D.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sherman introduced :

H. F. No. 2387, A bill for an act relating to the pollution control agency; removing authority to impose certain fees; changing certain appropriations; amending Minnesota Statutes 1985 Supplement, section 116.07, subdivision 4d; and Laws 1985, First Special Session chapter 13, section 26, subdivisions 2 and 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

McKasy introduced :

H. F. No. 2388, A bill for an act relating to nonprofit corporations; providing for succession of fiduciary capacity in mergers and consolidations; clarifying authority for separate entities to hold church employee benefit plans; amending Minnesota Statutes 1984, sections 317.38; and 317.66, subdivision 1, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

Ozment introduced :

H. F. No. 2389, A bill for an act relating to environment; prohibiting the storage of hazardous waste at the University of Minnesota's Rosemount research center; proposing coding for new law in Minnesota Statutes, chapter 116.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Minne introduced :

H. F. No. 2390, A bill for an act relating to civil actions; providing for changes in certain time periods relating to the commencement of civil actions; amending Minnesota Statutes 1984, section 541.07.

The bill was read for the first time and referred to the Committee on Judiciary.

Clausnitzer, Segal and Carlson, J., introduced:

H. F. No. 2391, A bill for an act relating to human services; regulating withholding for purposes of child support; amending Minnesota Statutes 1985 Supplement, section 518.611, subdivisions 4 and 6.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Stanisus and Kiffmeyer introduced:

H. F. No. 2392, A bill for an act relating to child abuse; providing immunity from liability for disclosure; amending Minnesota Statutes 1985 Supplement, section 626.556, subdivision 4.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Norton and Levi introduced:

H. F. No. 2393, A bill for an act relating to motor vehicles; designating category of collector military vehicle for registration purposes; exempting certain collector military vehicles and trailers from requirement to display license plates under certain conditions; amending Minnesota Statutes 1984, sections 168.10, subdivisions 1, 1e, 1f, and by adding a subdivision; and 169.73, subdivision 1.

The bill was read for the first time and referred to the Committee on Transportation.

Fjoslien introduced:

H. F. No. 2394, A bill for an act relating to veterans; requiring the MIA-POW flag to be flown on the capitol.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Rose, DenOuden, Krueger and Battaglia introduced:

H. F. No. 2395, A bill for an act relating to game and fish; legislative oversight over federal fund receipts and expenditures.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Marsh and Omann introduced :

H. F. No. 2396, A bill for an act relating to the city of Sartell; authorizing the establishment of a redevelopment district.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Frederick introduced :

H. F. No. 2397, A bill for an act relating to alcoholic beverages; authorizing cities to issue temporary off-sale licenses for the sale of rare wine at auctions; amending Minnesota Statutes 1985 Supplement, section 340A.404, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Uphus introduced :

H. F. No. 2398, A bill for an act relating to environment; regulating release of radionuclides into groundwater; proposing coding for new law in Minnesota Statutes, chapter 116C.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Begich and Battaglia introduced :

H. F. No. 2399, A bill for an act relating to taxation; authorizing the expansion of a certain enterprise zone; providing for the local contribution for that zone; amending Minnesota Statutes 1985 Supplement, section 273.1314, subdivisions 6 and 16a.

The bill was read for the first time and referred to the Committee on Taxes.

Begich and Battaglia introduced :

H. F. No. 2400, A bill for an act relating to health; removing a restriction on use of hospital swing beds; amending Minnesota Statutes 1985 Supplement, section 144.562, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Wenzel introduced:

H. F. No. 2401, A bill for an act relating to taxation; tax-forfeited lands; requiring payment for a certain tract in Morrison county by the state of Minnesota.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Sherman introduced:

H. F. No. 2402, A bill for an act relating to drivers' licenses; providing for side-profile photograph on driver's license or identification card of person under the age of 19; amending Minnesota Statutes 1984, section 171.07, subdivisions 1 and 3.

The bill was read for the first time and referred to the Committee on Transportation.

Seaberg; Olsen, S.; Clark; Clausnitzer and Backlund introduced:

H. F. No. 2403, A bill for an act relating to housing; landlord and tenant; requiring heating standards; requiring notice by landlords before entering leased premises; amending Minnesota Statutes 1984, section 504.18, subdivisions 1 and 6; proposing coding for new law in Minnesota Statutes, chapter 504.

The bill was read for the first time and referred to the Committee on Judiciary.

Tjornhom introduced:

H. F. No. 2404, A bill for an act relating to traffic regulations; authorizing insurers to obtain accident reports directly from the appropriate law enforcement agencies; amending Minnesota Statutes 1984, section 169.09, subdivision 13.

The bill was read for the first time and referred to the Committee on Judiciary.

Sarna introduced:

H. F. No. 2405, A bill for an act relating to the city of Minneapolis; establishing an election day for the park and recreation board.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Zaffke, Frerichs, Johnson and Jennings, L., introduced :

H. F. No. 2406, A bill for an act relating to unclaimed property; requiring that the sum payable on an abandoned warrant issued by a county be conveyed to the issuing county for deposit in the county treasury; amending Minnesota Statutes 1984, section 345.48, subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Thiede introduced :

H. F. No. 2407, A bill for an act relating to state lands; directing transfer of the Croft Mine Park, and all artifacts, machinery, and other personal property used in its operation, to any one or a combination of the city of Ironton, the city of Crosby, and the Croft historical park board.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Ogren introduced :

H. F. No. 2408, A bill for an act relating to public works; providing a replacement for an appropriation to the city of Cloquet for the construction of a public water facility.

The bill was read for the first time and referred to the Committee on Appropriations.

Dyke and Knuth introduced :

H. F. No. 2409, A bill for an act relating to environment; providing for the adoption of a sewage treatment system construction code; requiring certification of sewage system contractors and inspectors in certain counties; providing for the administration of certification laws by the pollution control agency; authorizing adoption of rules; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 116.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Bennett and Kvam introduced :

H. F. No. 2410, A bill for an act relating to insurance; accident and health; authorizing participation by pharmacists in non-profit health service plans and health maintenance contracts; amending Minnesota Statutes 1984, sections 62C.03, by adding a subdivision; and 62D.12, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Thorson, Bennett, Sarna and Sparby introduced :

H. F. No. 2411, A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; prescribing certain settlement procedures; amending Minnesota Statutes 1984, section 325F.665, as amended.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Brinkman introduced :

H. F. No. 2412, A bill for an act relating to independent school district No. 750, Cold Spring; authorizing the district to make an equal levy for debt service over the next five years.

The bill was read for the first time and referred to the Committee on Education.

McEachern introduced :

H. F. No. 2413, A bill for an act relating to taxes; permitting variable taxation within cities based on variations in services; proposing coding for new law in Minnesota Statutes, chapter 272.

The bill was read for the first time and referred to the Committee on Taxes.

McEachern and Schafer introduced :

H. F. No. 2414, A bill for an act relating to game and fish; authorizing special deer seasons for handicapped hunters within refuges and state parks; amending Minnesota Statutes 1984, section 99.26, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Miller, Clausnitzer, Burger, Jacobs and Kalis introduced :

H. F. No. 2415, A bill for an act relating to local government; permitting units of local government to employ public accountants to audit records; amending Minnesota Statutes 1984, sections 6.48; 6.55; 6.64; 6.66; 6.67; 6.68, subdivision 1; 6.70; and 6.71; proposing coding for new law in Minnesota Statutes, chapter 6.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Uphus introduced :

H. F. No. 2416, A bill for an act relating to intoxicating liquor; authorizing Pope County to issue one seasonal on-sale license.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Haukoos, Price, Jacobs, Tjornhom and Boerboom introduced :

H. F. No. 2417, A bill for an act relating to utilities; prohibiting public utility commissioners from accepting gifts; amending Minnesota Statutes 1984, section 216A.035.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Price, Beard and Levi introduced :

H. F. No. 2418, A bill for an act relating to Washington county; permitting the county to finance water systems on behalf of cities and towns in the county by the issuance of county general obligation bonds.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Osthoff introduced :

H. F. No. 2419, A bill for an act relating to civil court actions; prohibiting a claim for punitive damages in an initial complaint; amending Minnesota Statutes 1984, section 549.20, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

Tompkins, Ozment, Rees and Valento introduced:

H. F. No. 2420, A bill for an act relating to metropolitan waste control; appropriating money to reimburse Farmington for excess charges.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Pappas and Clark introduced:

H. F. No. 2421, A bill for an act relating to criminal law; abolishing the crime of criminal syndicalism; repealing Minnesota Statutes 1984, section 609.405.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

McKasy, Halberg, Simoneau, Kostohryz and Fjoslien introduced:

H. F. No. 2422, A bill for an act relating to elections; providing for recall of certain elected county officials; proposing coding for new law in Minnesota Statutes, chapter 351; repealing Minnesota Statutes 1984, sections 351.03; 351.04; 351.08 to 351.11.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Shaver, Osthoff, Scheid, Backlund and Fjoslien introduced:

H. F. No. 2423, A bill for an act relating to elections; providing for the use of certain optical scan electronic voting systems; amending Minnesota Statutes 1984, sections 203B.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 206.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Anderson, R., introduced :

H. F. No. 2424, A bill for an act relating to taxation; authorizing certain refunds of sales tax paid on agricultural electricity; amending Minnesota Statutes 1984, section 297A.35, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Scheid, Quinn, Ogren, Wynia and Voss introduced :

H. F. No. 2425, A bill for an act relating to insurance; authorizing the commissioner of commerce to collect specific information from insurers; amending Minnesota Statutes 1984, section 60A.13, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Scheid, Quinn, Ogren, Wynia and Voss introduced :

H. F. No. 2426, A bill for an act relating to insurance; specifying the authority of the commissioner of commerce to approve or disapprove insurance rates; creating procedures for approval or disapproval of rates; amending Minnesota Statutes 1984, sections 70A.04, subdivision 2, and by adding a subdivision; 70A.06, subdivision 1; and 70A.08, subdivision 2; repealing Minnesota Statutes 1984, section 70A.06, subdivisions 2 and 4.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Norton and Levi introduced :

H. F. No. 2427, A bill for an act relating to state lands; authorizing exchange of state property with Minnesota transportation museum property.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Knickerbocker introduced:

H. F. No. 2428, A bill for an act relating to public employment labor relations; regulating fair share fees; regulating arbitration; defining employer and employee; amending Minnesota Statutes 1984, sections 179A.03, subdivisions 14, 15, and by adding a subdivision; 179A.05, subdivision 6; 179A.07, subdivision 2; 179A.13, by adding a subdivision; 179A.16, subdivisions 4 and 8; and 179A.21, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

CONSENT CALENDAR

H. F. No. 1727, A bill for an act relating to agriculture; moving Wadena county from area one to area four for purposes of potato industry promotion; amending Minnesota Statutes 1984, section 17.54, subdivision 9.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Lieder	Pappas	Skoglund
Backlund	Forsythe	Long	Pauly	Solberg
Battaglia	Frederick	Marsh	Peterson	Stanius
Beard	Frederickson	McDonald	Piepho	Staten
Becklin	Frerichs	McEachern	Piper	Swiggum
Begich	Greenfield	McKasy	Poppenhagen	Thiede
Bennett	Gutknecht	McLaughlin	Quinn	Thorson
Boerboom	Halberg	McPherson	Quist	Tjornhom
Boo	Hartinger	Metzen	Rees	Tomlinson
Brandl	Hartle	Miller	Rest	Tompkins
Brinkman	Haukoos	Minne	Rice	Tunheim
Brown	Heap	Munger	Richter	Uphus
Burger	Himle	Murphy	Riveness	Valento
Carlson, D.	Jacobs	Nelson, D.	Rodosovich	Vanasek
Carlson, J.	Johnson	Neuenschwander	Rose	Vellenga
Carlson, L.	Kalis	Norton	Sarna	Voss
Clark	Kelly	O'Connor	Schafer	Waltman
Clausnitzer	Kiffmeyer	Olsen, S.	Scheid	Welle
Cohen	Knickerbocker	Olson, E.	Schoenfeld	Wenzel
DenOuden	Knuth	Omann	Seaberg	Wynia
Dimler	Kostohryz	Onnen	Segal	Zaffke
Dyke	Krueger	Osthoff	Shaver	Spk. Jennings, D.
Elioff	Kvam	Otis	Sherman	
Erickson	Levi	Ozment	Simoncau	

The bill was passed and its title agreed to.

H. F. No. 2230, A bill for an act relating to highway traffic regulations; clarifying the evidentiary use of partial alcohol concentration breath tests; amending Minnesota Statutes 1984, section 169.121, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Lieder	Ozment	Sherman
Backlund	Forsythe	Long	Pappas	Simoneau
Battaglia	Frederick	Marsh	Pauly	Skoglund
Beard	Frederickson	McDonald	Peterson	Solberg
Becklin	Frerichs	McEachern	Piepho	Sparby
Begich	Greenfield	McKasy	Piper	Stanius
Bennett	Gruenes	McLaughlin	Poppenhagen	Staten
Blatz	Gutknecht	McPherson	Price	Thiede
Boo	Hartinger	Metzen	Quinn	Thorson
Brinkman	Hartle	Miller	Quist	Tjornhom
Brown	Haukoos	Minne	Rees	Tomlinson
Burger	Heap	Munger	Rest	Tompkins
Carlson, D.	Himle	Murphy	Rice	Tunheim
Carlson, J.	Jacobs	Nelson, D.	Richter	Uphus
Carlson, L.	Johnson	Neuenschwander	Riveness	Valan
Clark	Kalis	Norton	Rodosovich	Valento
Clausnitzer	Kelly	O'Connor	Rose	Vanasek
Cohen	Kiffmeyer	Ogren	Sarna	Voss
Dempsey	Knickerbocker	Olsen, S.	Schafer	Waltman
DenOuden	Knuth	Olsen, E.	Scheid	Welle
Dimler	Kostohryz	Omann	Schoenfeld	Wenzel
Dyke	Krueger	Onnen	Seaberg	Wynia
Elioff	Kvam	Osthoff	Segal	Zaffke
Erickson	Levi	Otis	Shaver	Spk. Jennings, D.

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Levi, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bill as a Special Order to be acted upon immediately preceding General Orders pending for Wednesday, February 26, 1986:

H. F. No. 1766.

SPECIAL ORDERS

CALL OF THE HOUSE

On the motion of Levi and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Fjoslien	Levi	Ozment	Skoglund
Anderson, R.	Forsythe	Lieder	Pappas	Solberg
Backlund	Frederick	McDonald	Pauly	Stanius
Battaglia	Frederickson	McEachern	Piepho	Staten
Beard	Frerichs	McKasy	Piper	Thorson
Becklin	Greenfield	McLaughlin	Poppenhagen	Tjornhom
Begich	Gruenes	McPherson	Price	Tomlinson
Bennett	Halberg	Metzen	Quinn	Tompkins
Boerboom	Hartinger	Miller	Rees	Tunheim
Boo	Hartle	Munger	Rest	Uphus
Brown	Haukoos	Nelson, D.	Rice	Valan
Burger	Heap	Neuenschwander	Rodosovich	Valento
Carlson, L.	Himle	Norton	Rose	Vanasek
Clark	Johnson	O'Connor	Sarna	Waltman
Clausnitzer	Kalis	Ogren	Schafer	Welle
Cohen	Kelly	Olsen, S.	Scheid	Wenzel
Dempsy	Kiffmeyer	Olson, E.	Schoenfeld	Wynia
DenOuden	Knickerbocker	Omann	Schreiber	Zaffke
Dimler	Knuth	Onnen	Seaberg	Spk. Jennings, D.
Dyke	Kostohryz	Osthoff	Shaver	
Ellingson	Krueger	Otis	Sherman	

Levi moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Kalis and Tunheim were excused for the remainder of today's session.

H. F. No. 1766 was reported to the House.

Thorson moved to amend H. F. No. 1766, the third engrossment, as follows:

Page 30, after line 12, insert a rider to read:

"The higher education coordinating board shall apply 100 percent of the sum of its reduction in the 1986 and 1987 fiscal years to the 1986 fiscal year when determining its budget base for the 1988-1989 biennium. In no event shall the resulting 1987 budget base exceed the original 1987 level as established in Laws 1985, First Special Session, chapter 11."

Page 30, line 35, delete "50" and insert "100"

Page 30, line 37, delete the second "1987" and insert "1986"

Page 30, line 39, after the period, insert:

"In no event shall the resulting 1987 budget base exceed the original 1987 level as established in Laws 1985, First Special Session, chapter 11."

A roll call was requested and properly seconded.

Norton moved to re-refer H. F. No. 1766 to the Committee on Appropriations.

A roll call was requested and properly seconded.

The question was taken on the Norton motion and the roll was called.

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

There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Munger	Piper	Solberg
Battaglia	Jennings, L.	Murphy	Price	Sparby
Beard	Kahn	Nelson, D.	Quinn	Staten
Begich	Kelly	Nelson, K.	Rest	Tomlinson
Brandl	Knuth	Neuenschwander	Rice	Vanasek
Brinkman	Kostohryz	Norton	Riveness	Vellenga
Brown	Krueger	O'Connor	Rodosovich	Voss
Carlson, L.	Lieder	Ogren	Sarna	Welle
Clark	Long	Olson, E.	Scheid	Wenzel
Cohen	McEachern	Osthoff	Schoenfeld	Wynia
Elioff	McLaughlin	Otis	Segal	
Ellingson	Metzen	Pappas	Simoneau	
Greenfield	Minne	Peterson	Skoglund	

Those who voted in the negative were:

Anderson, R.	Dimler	Heap	Onnen	Sherman
Backlund	Dyke	Himle	Ozment	Stanis
Becklin	Erickson	Johnson	Pauly	Sviggum
Bennett	Fjoslien	Kiffmeyer	Piepho	Thiede
Bishop	Forsythe	Knickerbocker	Poppenhagen	Thorson
Blatz	Frederick	Kvam	Quist	Tjornhom
Boerboom	Frederickson	Levi	Redalen	Tompkins
Boo	Frerichs	Marsh	Rees	Uphus
Burger	Gruenes	McDonald	Richter	Valan
Carlson, D.	Gutknecht	McKasy	Rose	Valento
Carlson, J.	Halberg	McPherson	Schafer	Waltman
Clausnitzer	Hartinger	Miller	Schreiber	Zaffke
Dempsey	Hartle	Olsen, S.	Seaberg	Spk. Jennings, D.
DenOuden	Haukoos	Omann	Shaver	

The motion did not prevail.

The question recurred on the Thorson amendment and the roll was called.

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

There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Levi	Pauly	Solberg
Anderson, R.	Erickson	Lieder	Peterson	Sparby
Backlund	Fjoslien	Long	Piepho	Stanius
Battaglia	Forsythe	Marsh	Piper	Staten
Beard	Frederick	McDonald	Poppenhagen	Sviggunn
Becklin	Frederickson	McEachern	Price	Thiede
Begich	Frerichs	McKasy	Quinn	Thorson
Bennett	Greenfield	McLaughlin	Quist	Tjornhom
Bishop	Gruenes	McPherson	Redalen	Tomlinson
Blatz	Gutknecht	Metzen	Rees	Tompkins
Boerboom	Halberg	Miller	Rest	Tunheim
Boo	Hartinger	Minne	Rice	Uphus
Brandl	Hartle	Munger	Richter	Valan
Brinkman	Haukoos	Murphy	Riveness	Valento
Brown	Heap	Nelson, D.	Rodosovich	Vanasek
Burger	Himle	Nelson, K.	Rose	Veilenga
Carlson, D.	Jacobs	Neuenschwander	Sarna	Voss
Carlson, J.	Jennings, L.	Norton	Schafer	Waltman
Carlson, L.	Johnson	O'Connor	Scheid	Welle
Clark	Kahn	Ogren	Schoenfeld	Wenzel
Clausnitzer	Kelly	Olsen, S.	Schreiber	Wynia
Cohen	Kiffmeyer	Olson, E.	Seaberg	Zaffke
Dempsey	Knickerbocker	Omann	Segal	Spk. Jennings, D.
DenOuden	Knuth	Onnen	Shaver	
Dimler	Kostohryz	Otis	Sherman	
Dyke	Krueger	Ozment	Simoneau	
Elioff	Kvam	Pappas	Skoglund	

The motion prevailed and the amendment was adopted.

Carlson, D., offered an amendment to H. F. No. 1766, the third engrossment, as amended.

POINT OF ORDER

Rice raised a point of order pursuant to rule 3.10 that the Carlson, D., amendment was not in order. The Speaker deferred his decision.

Kahn requested a division of the Carlson, D., amendment.

POINT OF ORDER

Olsen, S., raised a point of order pursuant to rule 3.6 relating to the division of a question. The Speaker ruled the point of order well taken.

Long offered an amendment to the Carlson, D., amendment.

PENDING POINT OF ORDER

The pending point of order relating to the Carlson, D., amendment to H. F. No. 1766, as amended, and raised by Rice earlier

today pursuant to rule 3.10 and deferred by the Speaker was reported to the House. The Speaker ruled the point of order well taken and the Carlson, D., amendment out of order.

H. F. No. 1766, as amended, was read for the third time.

POINT OF ORDER

Anderson, G., raised a point of order pursuant to rule 5.8 that H. F. No. 1766, as amended, be re-referred to the Committee on Governmental Operations. The Speaker ruled the point of order not well taken.

Anderson, G., appealed the decision of the Chair.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called.

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

There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dimler	Heap	Onnen	Sherman
Backlund	Dyke	Himle	Ozment	Stanius
Becklin	Erickson	Johnson	Pauly	Sviggum
Bennett	Fjoslien	Kiffmeyer	Piepho	Thiede
Bishop	Forsythe	Knickerbocker	Poppenhagen	Thorson
Blatz	Frederick	Kvam	Quist	Tjornhom
Boorboom	Frederickson	Levi	Redalen	Tompkins
Boo	Frerichs	Marsh	Rees	Uphus
Burger	Gruenes	McDonald	Richter	Valan
Carlson, D.	Gutknecht	McKasy	Rose	Valento
Carlson, J.	Halberg	McPherson	Schafer	Waltman
Clausnitzer	Hartinger	Miller	Schreiber	Zaffke
Dempsey	Hartle	Olsen, S.	Seaberg	Spk. Jennings, D.
DenOuden	Haukoos	Omann	Shaver	

Those who voted in the negative were:

Anderson, G.	Elioff	Lieder	Norton	Quinn
Battaglia	Ellingson	Long	O'Connor	Rest
Beard	Greenfield	McEachern	Ogren	Rice
Begich	Jacobs	McLaughlin	Olson, E.	Riveness
Brandl	Jennings, L.	Metzen	Osthoff	Rodosovich
Brinkman	Kahn	Minne	Otis	Sarna
Brown	Kelly	Murphy	Pappas	Scheid
Carlson, L.	Knuth	Nelson, D.	Peterson	Schoenfeld
Clark	Kostohryz	Nelson, K.	Piper	Segal
Cohen	Krueger	Neuschwander	Price	Simoneau

Skoglund
Solberg
Sparby

Staten
Tomlinson

Vanasek
Vellenga

Voss
Welle

Wenzel
Wynia

So it was the judgment of the House that the decision of the Speaker should stand.

H. F. No. 1766, A bill for an act relating to government in this state; providing for its financing, structure, and components; making and reducing appropriations for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; providing for contingency expenditures; creating, modifying, transferring, and abolishing agencies, boards, and functions; adjusting complements; creating certain funds and changing others; providing for farm relief; making cash flow changes and budget adjustments; setting and adjusting certain aid and mill rate amounts; providing for community emergency response hazardous substance protection; clarifying the income tax exclusion of income on the sale of certain agricultural property; repealing the suspension of inflation adjustments; proposing tax compliance measures; providing a sales tax on intoxicating liquor at the wholesale level; providing a property tax refund for certain commercial industrial property taxes for 1987 only; providing for the deposit of certain motor vehicle excise tax proceeds in the general fund; transferring funds from the highway user tax distribution fund and the transit assistance fund to the general fund; setting local government aids for 1987; changing certain reimbursement payment dates; prescribing sales ratio study requirements; extending the property tax payment date by 30 days in the case of certain agricultural property; changing property tax distribution and settlement; changing the special homestead classification for certain disabled persons; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 15.01; 15.057; 16A.72; 16B.20, subdivision 1; 16B.50; 17.717, subdivision 6; 25.39, subdivision 4; 41.57, by adding a subdivision; 46.041, subdivision 1; 46.131, subdivision 10; 47.54, subdivision 1; 51A.51, subdivisions 1, 2, 3, 3a, and 5; 52.06, subdivision 1; 53.03, subdivision 6; 56.02; 60A.03, subdivision 6; 60A.14, subdivision 1; 60A.17, by adding a subdivision; 60A.23, subdivision 7; 62E.52, subdivisions 2 and 3; 62E.53, subdivisions 1 and 2; 62E.531, subdivision 2; 79.251, subdivision 1; 82.22, subdivision 3; 82.27, by adding a subdivision; 84.01, subdivision 3; 84.028, subdivision 3; 84.082; 84.086; 84.54; 85.016; 97.41, subdivision 2; 104.35, subdivisions 2 and 3; 105.40, subdivisions 1 and 2; 112.35, by adding a subdivision; 115A.15, subdivision 5; 115A.912, subdivision 2, and by adding a subdivision; 115B.-20, subdivisions 5 and 6; 116.07, by adding a subdivision; 116C.-24, subdivision 2a; 116C.25; 116J.01, subdivision 3; 116J.16, subdivisions 1, 2, 4, 5, 6, 7, and 8; 116J.29; 116J.36, subdivision 10; 116J.37, subdivision 6; 116J.401; 116J.402; 116J.403; 116J.-404; 116J.405; 116J.406, subdivisions 2, 3, 4, and 5; 116J.58,

subdivisions 2 and 3; 116J.60; 116J.63; 116J.66; 116J.68, subdivision 2; 116J.74, subdivision 5; 116J.80, subdivision 6; 116J.-873, subdivision 4; 116M.03, subdivision 2, and by adding a subdivision; 116M.05, subdivision 1; 116M.06, subdivisions 4, 7, 8, and 10; 116M.07, subdivision 12; 116M.08, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, 10, 17, 19, 20, and 21; 116M.12, subdivision 6; 121.495; 121.901, subdivision 2; 121.934, subdivision 1; 124.195, subdivision 5; 124.32, subdivision 1c; 124A.02, subdivision 15; 129B.02, as amended; 129B.04, subdivisions 1a and 2; 129B.041, subdivisions 1 and 4; 129B.05, subdivision 2; 129B.43; 136.14; 136C.07, by adding a subdivision; 136C.13, by adding a subdivision; 136C.35; 138.65; 144.68; 144.69; 148.10, by adding a subdivision; 150A.08, by adding a subdivision; 160.265, subdivision 1; 161.1419, subdivision 8; 168.67; 169.871, subdivision 5; 176.183, subdivisions 1 and 1a; 176.603; 176.611, subdivision 2; 197.23, subdivision 2; 197.481, by adding subdivisions; 216B.243, subdivision 6; 216B.62, subdivisions 2 and 3; 237.295, subdivisions 1 and 2; 237.30; 239.10; 256.98; 256B.042, subdivisions 2 and 3, and by adding subdivisions; 256B.37, by adding a subdivision; 256D.05, by adding a subdivision; 270.067, subdivision 5; 270.12, subdivision 2; 270.69, by adding a subdivision; 270.72, subdivisions 1, 2, and 3; 271.01, subdivision 1, and by adding a subdivision; 273.1312, subdivision 1; 273.1314, subdivisions 1 and 16; 273.74, subdivision 5; 276.09; 276.10; 276.11; 278.03; 279.01, as amended; 290.069, subdivision 1; 290.53, subdivision 2; 290.61; 296.13; 297A.01, subdivision 9; 297A.02, by adding a subdivision; 297A.03, subdivision 2; 297A.04; 297A.08; 297A.-18; 297A.27, subdivision 1; 297A.275; 297A.28; 297A.43; 297B.-09, subdivision 2; 299D.03, subdivision 5; 301A.07, subdivision 1; 325F.19, subdivision 3; 325F.24, subdivision 3; 326.20, by adding a subdivision; 326.334, subdivision 7; 349.52, subdivisions 2 and 3; 362A.06; 364.09; 462.384, subdivision 7; 462A.03, subdivision 10; 462A.04, subdivisions 1 and 4; 462A.05, subdivisions 15B, 21, and 23; 465.74, subdivisions 1, 4, and 6; 471.992; 471.996; 471.997; 471.9975; 473.448; 477A.015; 480.242, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 15A.081, subdivision 8; 40A.03, subdivision 2; 53.03, subdivision 1; 60A.17, subdivision 1a; 92.35; 92.36; 110B.02, by adding a subdivision; 110B.08, subdivision 5; 110B.10, subdivision 1; 116J.58, subdivision 4; 116J.951, subdivision 2; 116J.961, subdivisions 1 and 8; 116M.03, subdivision 17; 116M.04, subdivision 8a; 116M.06, subdivision 2; 116M.07, subdivisions 7a, 7b, and 7c; 116M.08, subdivisions 1, 14, and 15; 116M.11; 116M.-12, subdivisions 3 and 4; 124.225, subdivision 7b; 124.245, subdivision 1; 124A.02, subdivision 9; 124A.03, subdivision 1a; 129C.10, subdivision 5; 136C.06; 144.8093, by adding a subdivision; 147.021, by adding a subdivision; 173.085, subdivision 1; 214.06, subdivision 1; 256.01, subdivisions 2 and 4; 256.74, subdivision 1; 256B.06, subdivision 1; 256B.07; 256B.48, subdivision 6; 256C.26; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 4, 5, 6, and by adding a subdivision; 256D.101, subdivisions 1, 2, and by adding a subdivision; 256D.-37, subdivision 1; 268.0122, subdivisions 2, 3, and by adding a

subdivision; 268.36; 268.673, subdivision 5; 268.6751, subdivisions 1 and 2; 268.871, subdivision 1; 270.063; 270.69, subdivisions 2, 3, and 4; 270.76; 270A.07, subdivision 1; 273.124, by adding a subdivision; 273.13, subdivisions 15a and 22; 273.1314, subdivision 9; 273.74, subdivision 2; 278.05, subdivision 5; 290.-491; 297A.257, subdivisions 1 and 3; 298.28, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 340A.904, subdivision 2; 477A.011, subdivisions 10 and 12; 477A.012; 477A.-013; Laws 1979, chapter 280, section 2, as amended; Laws 1985, chapter 19, section 2, subdivisions 1, 2, and by adding a subdivision; section 6, subdivision 6; First Special Session chapter 9, article 1, section 2, subdivision 5; First Special Session chapter 10, sections 1; 4, subdivisions 1, 9, 10, and 11; 5, subdivisions 1, 2, and 6; 7; 8; 9; 10, subdivision 1; and 125; First Special Session chapter 11, section 4, subdivision 3; First Special Session chapter 12, article 1, section 36, subdivision 3; article 2, section 15, subdivision 2; article 3, section 28, subdivision 10; article 4, section 11, subdivision 6; article 5, section 8; article 5, section 10, subdivisions 2 and 4; article 6, section 28, subdivisions 11, 17, and 20; article 8, section 62, subdivisions 2, 3, 4, 6, 8, 9, 13, 14, 15, and 17; article 8, section 63, subdivisions 2 and 3; article 8, section 64, subdivision 2; article 9, section 3, subdivisions 2 and 3; First Special Session chapter 15, section 23, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16A; 17; 45; 84; 115A; 116J; 116K; 129B; 135A; 144; 216A; 256; 276; 297A; 299F; 340A; 462; and 480; repealing Minnesota Statutes 1984, sections 3.351, subdivisions 1, 2, 4, and 5; 3.865; 16B.21, subdivision 2; 17.101, subdivision 2; 17.104; 17.105; 19.64, subdivision 5; 41A.02, subdivisions 1, 2, 3, 4, 6, 9, 10, 12, 13, 14, and 15; 41A.03, subdivisions 2 and 4; 41A.04, subdivision 2; 41A.05, subdivision 4; 41A.06, subdivisions 2, 3, and 4; 41A.07; 42.06, subdivision 4; 84.081; 84.083; 86A.09, subdivisions 1, 2, 3, and 4; 86A.10; 89.014, subdivision 2; 105.40, subdivision 7; 105.71; 105.72; 105.73; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 112.35, subdivision 4; 115A.07, subdivision 1; 115A.08, subdivisions 1, 2, and 3; 115A.162; 115A.90, subdivision 4; 116J.01, subdivisions 1 and 2; 116J.03; 116J.035, as amended; 116J.04; 116J.05; 116J.-06, subdivisions 4, 5, 6, 7, 8, 10, 11, 12, and 13; 116J.07; 116J.08; 116J.09; 116J.10; 116J.11; 116J.12; 116J.13; 116J.14; 116J.15; 116J.17; 116J.18; 116J.19, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, and 14; 116J.20; 116J.21; 116J.22; 116J.23; 116J.24; 116J.26; 116J.261; 116J.262; 116J.27; 116J.30, subdivision 5; 116J.31; 116J.315; 116J.32; 116J.33; 116J.34; 116J.35; 116J.36, subdivisions 1, 2, 3, 3a, 3b, 3c, 4, 4a, 5, 7, 8, 8a, 9, and 11; 116J.37, subdivisions 2, 3, 4, 5, and 7; 116J.373; 116J.-38; 116J.381; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.-873, subdivisions 1, 2, and 3; 116L.01; 116L.02; 116L.03, as amended; 116L.04, as amended; 116L.05; 116M.01; 116M.02; 116M.03, subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 116M.04, subdivisions 1, 1a, 2, 3, 4, 5, 7, 8, 10, and 11; 116M.05, subdivisions 1, 2, 3, 4, 5, 6, and 7; 116M.06, subdivisions 1, 6, 11, 12, and 13;

116M.07, subdivisions 1, 3, 5, 6, 7, and 10; 116M.08, subdivisions 13, 16, and 18; 116M.09; 116M.10, as amended; 116M.12, subdivisions 1, 2, and 5; 116M.13, subdivisions 1, 2, and 3; 129B.-01; 129B.05; 136.063; 144.66; 144.67; 144A.071, subdivision 5; 161.1419, as amended; 174.03, subdivision 7; 176.611, subdivisions 3 and 4; 177.41; 177.42; 177.43; 177.44; 216B.165, subdivision 2; 270.067, subdivisions 1, 2, 3, and 4; 270.72, subdivision 5; 297A.02, subdivision 3; 301A.01, subdivision 1; 402.045; 402.-062, subdivision 1; 402.095; 451.09, subdivision 2; 462.375; 462.421, subdivision 21; 462.445, subdivision 8; 462.595; 462A.-072; 472.01; 472.02; 472.03, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, and 13; 472.04; 472.05; 472.06; 472.07; 472.08, subdivision 2; 472.09; 472.10; 472.11, subdivisions 1, 2, 4, 5, 6, 7, and 8; 472.12; Minnesota Statutes 1985 Supplement, sections 3.303, subdivision 5; 3.351, subdivision 3; 3.875; 13.76; 41A.01; 41A.02, subdivisions 5, 7, 7a, 8, and 11; 41A.03, subdivisions 1, 3, and 5; 41A.04, subdivisions 1, 3, and 4; 41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivisions 1 and 5; 41A.08; 86.33, subdivisions 2 and 3; 105.74; 110B.02, subdivision 2; 116J.035, subdivision 3; 116J.19, subdivision 13; 116J.36, subdivision 6; 116J.37, subdivision 1; 116J.94; 116M.03, subdivision 27; 116M.-04, subdivisions 6 and 9; 116M.05, subdivision 8; 116M.06, subdivisions 3 and 5; 116M.07, subdivisions 2, 4, 8, 9, 11, and 13; 116M.08, subdivisions 11 and 12; 116M.105; 136.63, subdivision 1b; 178.03, subdivision 5; 267.01; 267.02; 267.03; 267.04; 267.-05; 267.06; 268.0111, subdivision 3; 268.66, subdivision 2; 268.-89, subdivision 2; 290.06, subdivision 2f; 472.03, subdivision 9; 472.08, subdivision 1; 472.11, subdivisions 3 and 9; 472.125; 472.13; 472.14; 472.15; 472.16; 474.17, subdivision 3; Laws 1984, chapter 654, article 2, section 146.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dimler	Heap	Omann	Shaver
Backlund	Dyke	Himle	Onnen	Sherman
Becklin	Erickson	Jennings, L.	Ozment	Stanius
Bennett	Fjoslien	Johnson	Pauly	Sviggum
Bishop	Forsythe	Kiffmeyer	Piepho	Thiede
Blatz	Frederick	Knickerbocker	Poppenhagen	Thorson
Boerboom	Frederickson	Kvam	Quist	Tjornhom
Boo	Frerichs	Levi	Redalen	Tompkins
Burger	Gruenes	Marsh	Rees	Uphus
Carlson, D.	Gutknecht	McDonald	Richter	Valan
Carlson, J.	Halberg	McKasy	Rose	Valento
Clausnitzer	Hartinger	McPherson	Schafer	Waltman
Dempsey	Hartle	Miller	Schreiber	Zaffke
DenOuden	Haukoos	Olsen, S.	Seaberg	Spk. Jennings, D.

Those who voted in the negative were:

Anderson, G.	Beard	Brandl	Brown	Clark
Battaglia	Begich	Brinkman	Carlson, L.	Cohen

Elioff	McEachern	Ogren	Riveness	Tomlinson
Ellingson	McLaughlin	Olson, E.	Rodosovich	Vanasek
Greenfield	Metzen	Osthoff	Sarna	Vellenga
Jacobs	Minne	Otis	Scheid	Voss
Kahn	Munger	Pappas	Schoenfeld	Welle
Kelly	Murphy	Peterson	Segal	Wenzel
Knuth	Nelson, D.	Piper	Simoneau	Wynia
Kostohryz	Nelson, K.	Price	Skoglund	
Krueger	Neuenschwander	Quinn	Solberg	
Lieder	Norton	Rest	Sparby	
Long	O'Connor	Rice	Staten	

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

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Sviggum moved that the name of Simoneau be stricken as an author on H. F. No. 1873. The motion prevailed.

Gutknecht moved that the name of Shaver be added as an author on H. F. No. 2020. The motion prevailed.

Hartinger moved that the name of Wenzel be added as an author on H. F. No. 2026. The motion prevailed.

Solberg moved that the name of Gruenes be added as an author on H. F. No. 2071. The motion prevailed.

Carlson, D., moved that the name of Krueger be added as an author on H. F. No. 2160. The motion prevailed.

Sviggum moved that the name of Clark be added as an author on H. F. No. 2338. The motion prevailed.

Sparby moved that the names of Wenzel and Johnson be added as authors on H. F. No. 2342. The motion prevailed.

Sparby moved that the names of Tunheim, Lieder, Segal and Olson, E., be added as authors on H. F. No. 2346. The motion prevailed.

Frerichs moved that the name of Stanius be added as an author on H. F. No. 2350. The motion prevailed.

Tjornhom moved that the name of Riveness be added as an author on H. F. No. 2358. The motion prevailed.

Nelson, D., moved that the name of Quinn be added as an author on H. F. No. 2361. The motion prevailed.

Valan moved that the name of Sparby be added as an author on H. F. No. 2374. The motion prevailed.

Dyke moved that H. F. No. 2409 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Rees moved that H. F. No. 2353 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Governmental Operations. The motion prevailed.

House Resolution No. 40 was reported to the House.

HOUSE RESOLUTION NO. 40

A house resolution congratulating Mankato West High School for winning the 1986 Minnesota State Academic Decathlon.

Whereas, the Minnesota Academic Decathlon is a scholastic competition for eleventh and twelfth grade high school students; and

Whereas, the decathlon consists of ten challenging activities including giving a speech, writing an essay, communicating through an interview, participating in the Super Quiz, and written comprehensive examinations in six academic areas; and

Whereas, the decathlon encourages students to develop a greater respect for knowledge, promotes wholesome academic competition, stimulates intellectual growth and achievement, encourages public interest and awareness of outstanding programs in education, and recognizes academic achievement among high school students; and

Whereas, the decathlon is sponsored by the Minnesota Academic Excellence Foundation; and

Whereas, after a series of regional contests, twelve schools competed in the state contest on February 14, 1986, at New Ulm High School; and

Whereas, the team from Mankato West High School won the 1986 Minnesota State Academic Decathlon; and

Whereas, it is appropriate and necessary for the House of Representatives to recognize this important academic achievement; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it congratulates Mankato West High School not only for the victory of its academic decathlon team but for the academic achievement level indicated by the victory. In particular, congratulations are extended to Samuel Adams, Chrissi Bloom, Scott Burton, Lynn Casey, Jonathan Frisch, Tim Hallett, Wendy Roth, Emily Stanford, Joe Straus, and coaches Roger Wilker and Marty Wiltgen.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and present it to the principal of Mankato West High School.

Piepho moved that House Resolution No. 40 be now adopted. The motion prevailed and House Resolution No. 40 was adopted.

Rees moved that H. F. No. 1899 be returned to its author. The motion prevailed.

ADJOURNMENT

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 27, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SEVENTY-SIXTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 27, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Rabbi Herbert Yoskowitz, B'Nai Emet Synagogue, St. Louis Park, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Elioff	Kostohryz	Peterson	Skoglund
Anderson, R.	Erickson	Krueger	Piepho	Solberg
Backlund	Fjoslien	Kvam	Piper	Sparby
Battaglia	Forsythe	Levi	Poppenhagen	Stanius
Beard	Frederick	Lieder	Quinn	Staten
Becklin	Frederickson	McEachern	Quist	Sviggum
Begich	Frerichs	McKasy	Redalen	Thiede
Bennett	Greenfield	McLaughlin	Rees	Thorson
Bishop	Gruenes	Metzen	Rest	Tjornhom
Blatz	Gutknecht	Miller	Rice	Tompkins
Boerboom	Halberg	Minne	Richter	Uphus
Boo	Hartinger	Munger	Riveness	Valan
Brandl	Hartle	Murphy	Rodosovich	Valento
Brinkman	Haukoos	Nelson, D.	Rose	Vanasek
Brown	Heap	Nelson, K.	Sarna	Vellenga
Burger	Himle	O'Connor	Schafer	Voss
Carlson, J.	Jacobs	Ogren	Scheid	Waltman
Carlson, L.	Jennings, L.	Olsen, S.	Schoenfeld	Welle
Clark	Johnson	Omann	Schreiber	Wenzel
Clausnitzer	Kahn	Onnen	Seaberg	Wynia
Dempsey	Kelly	Osthoff	Segal	Zaffke
DenOuden	Kiffmeyer	Otis	Shaver	Spk. Jennings, D.
Dimler	Knickerbocker	Pappas	Sherman	
Dyke	Knuth	Pauly	Simoneau	

A quorum was present.

Carlson, D.; Jaros; Kalis; McPherson and Tunheim were excused.

Cohen and Ellingson were excused until 3:00 p.m. Tomlinson was excused until 3:50 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Redalen moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1918, 1945, 1951, 2005, 2021, 2111, 2131, 2143, 2156, 2185, 2187, 2188, 2216, 2294, 2317, 2329, 2338, 2365, 2370, 2371, 1824, 124, 1732, 1746, 1767, 1863, 1875, 1950, 1970, 2051, 2068, 2071, 2089, 2097, 2132, 2183, 2292, 2364, 397, 1611, 1803, 2037, 2072 and 1873 and S. F. Nos. 1857 and 363 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

February 24, 1986

The Honorable David M. Jennings
Speaker of the House
463 State Office Building
St. Paul, Minnesota 55155

Dear Sir:

I have the honor of informing you that I have received, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1699, relating to licenses; requiring operators of campgrounds and manufactured home parks to procure a license; amending Minnesota Statutes 1984, section 157.03.

H. F. No. 1826, A resolution memorializing the governments of the United States and the Socialist Republic of Vietnam to take all possible actions to determine the fate of persons missing in action in Southeast Asia; joining with the families of those who are missing in the hope that their long wait will soon be over.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

February 24, 1986

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1986 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:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1986</i>	<i>Date Filed 1986</i>
40		310	February 24	February 24
	1699	311	February 24	February 24
	1826	Resolution No. 6	February 24	February 24

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 804, A bill for an act relating to obscenity; prohibiting obscene live performances; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 617.

Reported the same back with the following amendments:

Page 1, line 24, delete "*gential*" and insert "*genital*"

Page 2, delete lines 16 to 19

Page 2, line 20, delete "5." and insert "4."

Page 2, delete section 2

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1776, A bill for an act relating to commerce; providing immunity to the state and municipalities for certain claims; regulating certain self-insurance pools; modifying the limitation on actions for damages based on services of construction to improve real property; abolishing the collateral source rule; requiring judgments to be paid in periodic installments rather than a lump sum upon request of either party; abolishing punitive damages in civil actions; placing a monetary maximum on the amount recoverable as intangible damages; eliminating joint liability in tort; amending Minnesota Statutes 1984, sections 466.01, subdivision 1; 466.03, subdivisions 4 and 6b, and by adding subdivisions; 471.982, subdivision 3; 541.051; 549.09, subdivision 1; 549.20, subdivision 1; and 604.02, subdivision 1; Minnesota Statutes 1985 Supplement, section 3.736, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 466, 481, 548, and 549; repealing Minnesota Statutes 1984, section 549.20, subdivisions 2 and 3.

Reported the same back with the following amendments:

Page 6, after line 5, insert:

"Sec. 11. [541.052] [LIMITATION OF ACTIONS FOR DAMAGES BASED ON ERRORS IN LAND SURVEYS.]

Subdivision 1. Except where fraud is involved, no action to recover damages for an error in the survey of land, nor any action for contribution or indemnity for damages sustained on account of an error, may be brought against any person performing the survey more than two years after the discovery of the error, nor in any event more than seven years after the date of the survey.

Subd. 2. Notwithstanding the provisions of subdivision 1, in the case of action which occurs during the sixth or seventh year after the date of the survey, an action to recover damages may be brought within two years after the date on which the action occurred, but in no event may an action be brought more than nine years after the date of the survey."

Pages 16 and 17, delete sections 29, 30, 31 and 32

Renumber the remaining sections

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1846, A bill for an act relating to agriculture; establishing filing requirements, enforcement, and priority of veterinarian's lien; giving agricultural production input liens priority; amending Minnesota Statutes 1984, section 514.92; Minnesota Statutes 1985 Supplement, section 514.952, subdivision 4; repealing Minnesota Statutes 1984, section 514.952, subdivision 6; and Minnesota Statutes 1985 Supplement, section 514.952, subdivision 5.

Reported the same back with the following amendments:

Pages 3 and 4, delete sections 2 and 3

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, delete "giving agricultural production"

Page 1, line 5, delete "input liens priority;"

Page 1, line 6, delete "; Minnesota Statutes 1985"

Page 1, delete lines 7 to 9

Page 1, line 10, delete everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1869, A bill for an act relating to local government units; authorizing the privatization of facilities for the treatment

of wastewater and the furnishing of potable water; amending Minnesota Statutes 1984, section 474.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 471A.

Reported the same back with the following amendments:

Pages 1 to 11, delete section 1 and insert:

“Section 1. [297A.258] [PRIVATE SUPPLIERS OF PUBLIC SERVICES.]

A private vendor that has entered into a service contract with a municipality under sections 3 and 4 is a political subdivision for purposes of determining the tax imposed under this chapter. This section applies only to the extent that the vendor is acting for the purposes of constructing, maintaining, or operating related facilities pursuant to the service contract.

The commissioner may provide for the issuance of a limited exemption certificate to a private vendor for purposes of administering this section. The commissioner may further require a vendor to obtain a certificate in order to qualify as a political subdivision under this section.

For purposes of this section, “private vendor,” “service contract,” and “related facilities” have the meanings given in sections 3 and 4.”

Page 19, line 2, delete “AND SALES”

Page 19, line 3, delete “TAXES”

Page 19, line 4, delete “or”

Page 19, line 5, delete “sales taxes”

Page 19, line 7, delete “cause” and insert “apply to the commissioner of revenue for an exemption from property taxation of”

Page 19, line 7, delete “to be exempt from” and insert a period

Page 19, delete lines 8 to 18 and insert “The property is exempt from ad valorem taxation, if the commissioner of revenue determines that the related facilities serve the general public and that similar municipally-owned facilities are exempt from ad valorem property taxation. The commissioner of revenue must notify the assessor that the property is exempt from taxation.”

Page 19, line 19, delete “effective.” and delete “shall only be” and insert “is only”

Page 19, line 21, delete "*and from and after*"

Page 19, delete line 22

Page 19, line 23, delete "*taxes*"

Page 19, line 25, delete "*filing the certificate*" and insert "*approval of the exemption by the commissioner of revenue*"

Amend the title as follows :

Page 1, line 6, delete "Minnesota Statutes 1985"

Page 1, line 7, delete "Supplement, section 297A.25, subdivision 1;"

Page 1, line 8, after "law" insert "in Minnesota Statutes, chapter 297A ; proposing coding for new law"

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred :

H. F. No. 1887, A bill for an act relating to drivers' licenses ; providing for motorized bicycle instruction permits ; setting a fee ; amending Minnesota Statutes 1984, sections 171.02, subdivision 3 ; and 171.05, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred :

H. F. No. 1890, A bill for an act relating to retirement ; Buhl police relief association ; permitting the association to amend its bylaws to provide for the payment of benefits to the survivors of deceased members.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1917, A bill for an act relating to retirement; authorizing benefit increases for retired Eveleth police officers, firefighters, and surviving spouses.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1919, A bill for an act relating to education; imposing a limit on participation in and making other modifications to the post-secondary enrollment options program; modifying the timelines for placing teachers on unrequested leaves of absence; amending Minnesota Statutes 1984, section 125.12, subdivisions 4, 6b, 9, 10, and by adding a subdivision; Minnesota Statutes 1985 Supplement, section 123.3514, by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 123.3514, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE POST-SECONDARY INSTITUTIONS.] For purposes of this section, an “eligible institution” means a Minnesota public post-secondary institution or a private, residential, *two-year or four-year*, liberal arts, degree-granting college or university located in Minnesota.

Sec. 2. Minnesota Statutes 1985 Supplement, section 123.3514, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION; NOTIFICATION.] Notwithstanding any other law to the contrary, an 11th or 12th grade pupil may apply to an eligible institution, as defined in subdivision 3, to allow the pupil to enroll in nonsectarian courses or programs offered at that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil’s school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course or programs and hours of enrollment of that pupil. *If the pupil enrolls in a course or program for post-secondary*

credit only, the institution shall notify the pupil about payment in the customary manner used by the institution.

Sec. 3. Minnesota Statutes 1985 Supplement, section 123.3514, is amended by adding a subdivision to read:

Subd. 4a. [COUNSELING.] To the extent possible, the school district shall provide counseling services to pupils and their parents or guardian before the pupils enroll in courses or programs under this section to ensure that the pupils and their parents or guardian are fully aware of the risks and possible consequences of enrolling in post-secondary courses or programs. The district shall provide information on the program including who may enroll, what institutions and courses or programs are eligible for participation, the decision-making process for granting academic credits, financial arrangements for tuition, books and materials, eligibility criteria for transportation aid, available support services, the need to arrange an appropriate schedule, consequences of failing or not completing a course in which the pupil enrolls, the impact of enrolling in this program on the pupil's ability to complete the required high school graduation requirements, and the academic and social responsibilities that must be assumed by the pupils and their parents or guardian. The high school counselor or other appropriate staff person shall encourage pupils and their parents or guardian to also use available counseling services at the post-secondary institutions before the quarter or semester of enrollment to ensure that anticipated plans are appropriate.

Prior to enrollment in courses or programs under this section, the pupil and that pupil's parents or guardian must sign a form stating that they have received the information specified in this subdivision either from the high school or post-secondary institution, and that they understand the responsibilities that must be assumed in enrolling in this program. The state department of education shall, upon request, provide technical assistance to the school districts in developing appropriate counseling guidelines.

Sec. 4. Minnesota Statutes 1985 Supplement, section 123.3514, is amended by adding a subdivision to read:

Subd. 4b. [DISSEMINATION OF INFORMATION; NOTIFICATION OF INTENT TO ENROLL.] By March 1 of each year, a school district shall provide general information on the post-secondary enrollment options program to all pupils in the district who are in grades 10 and 11. To assist the school district in planning, the pupils shall inform the high school counselor or other appropriate staff person by March 30 of each year of their intent to enroll in post-secondary courses or programs under this section during the following school year.

Sec. 5. Minnesota Statutes 1985 Supplement, section 123.3514, is amended by adding a subdivision to read:

Subd. 4c. [LIMIT ON PARTICIPATION.] In order to avoid pupils making decisions to delay high school graduation to be able to enroll in more courses or programs under this section, the following limits on participation shall apply. A pupil who first enrolls under this section in grade 11 may not enroll in post-secondary courses or programs under this section in more than six quarters or four semesters, or their equivalent. A pupil who first enrolls under this section in grade 12 may not enroll in post-secondary courses or programs under this section in more than three quarters or two semesters, or their equivalent. If a pupil in grades 11 or 12 first enrolls in a post-secondary course or program under this section during the school year, the respective limits on the number of quarters or semesters of participation shall be reduced proportionately.

Sec. 6. Minnesota Statutes 1985 Supplement, section 123.3514, is amended by adding a subdivision to read:

Subd. 4d. [REGISTRATION PRIORITY.] Pupils in grades 11 and 12 may register to enroll in courses or programs in post-secondary institutions only after post-secondary students have had an opportunity to register during the regular registration period for a particular institution.

Sec. 7. Minnesota Statutes 1985 Supplement, section 123.3514, subdivision 5, is amended to read:

Subd. 5. [CREDITS.] A pupil may enroll in courses or programs under this section for either secondary credit or post-secondary credit. At the time a pupil enrolls in a course or program, the pupil shall designate whether the course is for secondary or post-secondary credit. A pupil taking several courses may designate some for secondary school credit and some for post-secondary credit.

A school district shall grant academic credit to a pupil enrolled in a course or program under this section if the pupil successfully completes the course or program attended and if the pupil designated the course or program for secondary credit. If no comparable course or program is offered by the district, the state board of education shall determine the number of credits that shall be granted to a pupil who successfully completes and passes the course or program. If a comparable course or program 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 or program, the pupil may appeal the school board's decision to the state board of education. The state board'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 require-

ments of the school district. Evidence of successful completion of each course or program and credits granted shall be included in the pupil's secondary school record. *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 high school, the post-secondary institution shall award post-secondary credit for any courses or programs successfully completed by the pupil at that institution under this section. Other post-secondary institutions may award, when a pupil is no longer in the 12th grade, post-secondary credit for any courses or programs successfully completed under this section.

Sec. 8. Minnesota Statutes 1985 Supplement, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] At the end of each school year, the department of education shall pay the tuition reimbursement amount within 30 days to the post-secondary institutions (THAT ENROLL PUPILS) *for courses or programs that were taken for secondary credit* under this section. The amount of tuition reimbursement shall equal the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program (CHARGED FOR) *taken by the secondary pupil (ENROLLING IN A COURSE OR PROGRAM) for secondary credit* under this section; or

(2) an amount equal to the difference between the formula allowance plus the total tier revenue attributable to that pupil and an amount computed by multiplying the formula allowance plus the total tier revenue attributable to that pupil by a ratio. The ratio to be used is the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

The amount paid for each pupil shall be subtracted from the foundation aid paid to the pupil's resident district. If the amount to be subtracted is greater than the amount of foundation aid due the district, the excess reduction shall be made from other state aids due to the district.

A pupil shall be responsible for tuition and other costs of any course or program taken only for post-secondary credit under this section.

Sec. 9. Minnesota Statutes 1985 Supplement, section 123.3514, is amended by adding a subdivision to read:

Subd. 6a. [GRANTS AND FINANCIAL AID PROHIBITED.] *A high school pupil enrolled in post-secondary courses or*

programs for secondary credit under this section is not eligible for any state post-secondary grants or other state student financial aid for the purpose of defraying the costs of enrolling in those courses or programs.

Sec. 10. Minnesota Statutes 1985 Supplement, section 123.3514, subdivision 8, is amended to read:

Subd. 8. [TRANSPORTATION.] A parent or guardian of a pupil (ATTENDING A POST-SECONDARY INSTITUTION) *enrolled in a course or program for secondary credit* under this section 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 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 state shall pay aid to the district according to the guidelines established under this subdivision. Chapter 14 does not apply to the guidelines.

Sec. 11. Minnesota Statutes 1985 Supplement, section 123.3514, subdivision 10, is amended to read:

Subd. 10. [LIMIT; STATE OBLIGATION.] The provisions of subdivisions 6, 7, 8, and 9 shall not apply for any post-secondary courses or programs in which a pupil is enrolled in addition to being enrolled full time in that pupil's district *or for any post-secondary course or program in which a pupil is enrolled for post-secondary credit.*

Sec. 12. Minnesota Statutes 1984, section 124A.034, subdivision 1, is amended to read:

Subdivision 1. [TO RESIDENT DISTRICT.] Foundation aid for shared time pupils shall be paid to the district of the pupil's residence, *or to an eligible post-secondary institution for those pupils who enroll in courses or programs for secondary credit at eligible institutions under section 123.3514.* If a pupil attends shared time classes in another district, the resident district shall pay to the district of attendance an amount of tuition equal to the ratio in section 124A.02, subdivision 20 times the amount of tuition which would be charged and paid for a nonresident public school pupil in a similar circumstance. The district of residence shall not be obligated for tuition except by previous agreement.

Sec. 13. Minnesota Statutes 1984, section 124A.034, subdivision 2, is amended to read:

Subd. 2. [LOCATION OF SERVICES.] Public school programs may be provided to shared time pupils only at a public

school building, or at an eligible post-secondary institution if a shared time pupil enrolls in a course or program for secondary credit under section 123.3514; provided, however, that special instruction and services for handicapped children required pursuant to section 120.17 may also be provided at a neutral site as defined in section 123.932, and diagnostic and health services required pursuant to section 120.17 may also be provided at a non-public school building. As used in this subdivision, "diagnostic services" means speech, hearing, vision, psychological, medical and dental diagnostic services and "health services" means physician, nursing or optometric services provided to pupils in the field of physical and mental health.

Sec. 14. Laws 1985, First Special Session chapter 12, article 5, section 7, is amended to read:

Sec. 7. [EVALUATION.]

The department of education, in consultation with the higher education coordinating board, the public post-secondary systems and the participating private colleges, shall collect and evaluate information about the implementation of the program established under section 1. By January 15, 1987, the commissioner of education shall submit a report to the education committees of the legislature on the implementation of this program. *The report to the legislature shall address at least the following issues:*

- (1) *description of participating pupils and other enrollment data;*
- (2) *results of surveys of pupils, parents, school districts, and post-secondary institutions;*
- (3) *results of any appeals to the state board of education regarding credits for courses or programs taken under the program;*
- (4) *assessment of counseling services provided to pupils and their parents or guardians;*
- (5) *fiscal impact of the program;*
- (6) *feasibility of including summer school courses or programs in this program;*
- (7) *feasibility of implementing cooperative plans for offering post-secondary courses in the high schools;*
- (8) *current school district and post-secondary policies relating to advanced placement and other accelerated testing program;*

(9) *recommendations on the feasibility of implementing and funding a state-wide advanced placement program which would accomplish, to the extent possible, the goals of: (i) making advanced placement courses available in every school district; (ii) providing for a partial or total subsidy of advanced placement costs; and (iii) requiring post-secondary institutions to grant post-secondary credit for successful completion of advanced placement programs;*

(10) *comparability of courses offered in the high schools and post-secondary institutions;*

(11) *advisability of establishing specific admission standards for high school pupils enrolling in post-secondary courses or programs;*

(12) *feasibility of expanding course offerings through alternative means when access to post-secondary institutions is geographically impossible;*

(13) *feasibility of increasing the maximum age of compulsory attendance at school; and*

(14) *other significant implementation issues or problems.*

Sec. 15. [NOTICE FOR THE 1986-1987 SCHOOL YEAR.]

To assist a school district in planning for the 1986-1987 school year, the district may obtain information from pupils about their intention to enroll in post-secondary courses or programs during the 1986-1987 school year under Minnesota Statutes, section 123.3514, 30 days after the district provides general information and to the extent possible, counseling services, on the program to pupils in grades 10 and 11 and their parents.

Sec. 16. [EFFECTIVE DATE.]

Sections 1, 5, 6, and 15 are effective the day following final enactment. Sections 2, 3, 4, 7, 8, 9, 10, and 11 are effective for the 1986-1987 school year and thereafter."

Delete the title and insert:

"A bill for an act relating to education; imposing a limit on participation; eliminating state tuition reimbursement for courses taken for post-secondary credit; making other modifications to the post-secondary enrollment options program; amending Minnesota Statutes 1984, section 124A.034, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, section 123.3514,

subdivisions 3, 4, 5, 6, 8, and 10, and by adding subdivisions; and Laws 1985, First Special Session chapter 12, article 5, section 7.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 1958, A bill for an act relating to crime victims; providing increased protections and rights to victims of crime; increasing the criminal witness fee; providing new procedures for enforcing restitution orders; establishing local victim-witness assistance programs; making a variety of changes to the crime victims reparations act; increasing the membership of the crime victim and witness advisory council; amending Minnesota Statutes 1984, sections 357.22; 357.24; 609.115, subdivision 1c; 609.-135, by adding a subdivision; 611A.03, subdivision 1; 611A.04, subdivision 2; 611A.06; 611A.53, subdivision 1, and by adding a subdivision; and 611A.61; and Minnesota Statutes 1985 Supplement, sections 609.101; 611A.52; 611A.53, subdivision 2; 611A.-54; 611A.56, subdivision 1; 611A.71, subdivisions 1 and 2; 631.046; and 631.07; proposing coding for new law in Minnesota Statutes, chapters 43A and 611A.

Reported the same back with the following amendments:

Pages 1 and 2, delete sections 1 to 3

Page 3, line 33, after “oral” insert “or written”

Page 3, line 34, after “hearing” insert “either personally, by counsel or, with leave of the court, by another representative selected by the victim”

Page 4, line 23, delete everything after the headnote, and insert “In every judicial district where no victim assistance program otherwise exists and where sufficient local or federal funds are available, the chief judge”

Page 4, line 24, delete “judicial district”

Page 5, line 18, delete “and”

Page 5, line 21, delete the period and insert “; and”

Page 5, after line 21, insert:

“(10) provide information and referral to existing victim assistance programs.”

Page 6, line 24, after "shall" insert "make reasonable efforts to"

Page 6, line 25, delete everything before the period

Page 6, line 26, delete "every" and "effort" and after "reasonable" insert "efforts"

Page 7, delete lines 6 to 9 and insert "No victim providing testimony in court proceedings may be compelled to state the victim's home or employment address on the record in open court."

Page 7, delete section 15 and insert:

"Sec. 12. [611A.037] [RIGHT TO MAKE OR SUBMIT STATEMENT AT SENTENCING.]

Subdivision 1. [WRITTEN IMPACT STATEMENT.] A victim has the right to submit a written impact statement to the court at the sentencing or disposition hearing. The victim's written statement may include but need not be limited to the following:

(1) a summary of the harm or trauma suffered by the victim as a result of the crime;

(2) a summary of the economic loss or damage suffered by the victim as a result of the crime;

(3) whether or not the victim seeks or is in need of restitution or other compensation for harm or loss suffered; and

(4) the victim's recommendation for an appropriate sentence or disposition, and the victim's objections, if any, to the proposed sentence or disposition.

If the court determines that, due to the victim's age or other disability, the victim is unable to submit an impact statement in writing, it shall permit the victim to make the statement orally at the sentencing or disposition hearing.

Subd. 2. [ORAL IMPACT STATEMENT.] A victim has standing at trial to appear and make an oral impact statement at the sentencing or disposition hearing either personally, by counsel or, with leave of court, by another representative selected by the victim. The oral statement may contain the following information:

(1) a concise statement of what disposition the victim deems appropriate for the defendant or juvenile court

respondent, including the reasons, if any, which support the victim's opinion; and

(2) the victim's objections, if any, to the proposed sentence or disposition.

A victim who, due to age or other disability, is permitted by the court to make an oral impact statement under subdivision 1 shall not make an additional impact statement under this subdivision."

Page 11, delete line 16 and insert "*parts 9502.0315 to 9502.0445, or parts 9545.0510 to 9545.0670,*"

Page 11, line 17, delete "*Minnesota*"

Page 11, line 18, delete everything before the period, and insert "*section 245.791*"

Page 12, line 4, delete "*in three-year installments*" and insert "*for three years or*"

Page 12, line 5, before the period insert "*, whichever is the shorter period*" and delete everything after the period

Page 12, line 6, delete "*years,*" and insert "*After three years, if the child is less than 18 years old*"

Page 12, line 17, delete everything after the headnote

Page 12, line 18, delete the new language

Page 12, delete lines 25 to 28

Page 13, line 30, delete "*unable reasonably*" and after "*have*" insert "*been unable to have*"

Page 14, line 13, delete "*seciton*" and insert "*section*"

Page 15, after line 1, insert:

"No employer may deny an employee an award of benefits based on the employee's eligibility or potential eligibility for reparations."

Page 15, after line 22, insert:

"Sec. 20. Minnesota Statutes 1984, section 611A.57, is amended by adding a subdivision to read:

Subd. 6. Claims for reparations and supporting documents and reports are investigative data and subject to the provisions of section 13.39 until the claim is paid, denied, withdrawn, or abandoned. Following the payment, denial, withdrawal, or abandonment of a claim, the claim and supporting documents and reports are private data on individuals as defined in section 13.02, subdivision 12."

Page 16, delete lines 7 to 14

Page 18, delete section 28

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "increasing"

Page 1, line 4, delete "the criminal witness fee;"

Page 1, line 10, delete "357.22; 357.24;"

Page 1, line 13, after the semicolon, insert "611A.57, by adding a subdivision;"

Page 1, line 17, before "631.046;" insert "and"

Page 1, line 17, delete "and 631.07;"

Page 1, line 18, delete "chapters 43A and" and insert "chapter"

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 2141, A bill for an act relating to agriculture; requiring certain corporate owners of agricultural land to pay the state for damage to certain conservation improvements; requiring valuation of certain agricultural land held by corporations at more than the market value; amending Minnesota Statutes 1984, sections 273.11, subdivision 1; and 500.24, by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 500.24, is amended by adding a subdivision to read:

Subd. 3a. [LEASE AGREEMENT; CONSERVATION PRACTICE PROTECTION CLAUSE.] A corporation, other than a family farm corporation or an authorized farm corporation, when leasing farm land to a family farm unit, a family farm corporation, or an authorized farm corporation under provisions of section 500.24, subdivision 3, clause (i), must include within the lease agreement a provision prohibiting intentional damage or destruction to a conservation practice on the agricultural land.

Sec. 2. Minnesota Statutes 1984, section 500.24, is amended by adding a subdivision to read:

Subd. 3b. [PROTECTION OF CONSERVATION PRACTICES.] If a corporation, other than a family farm corporation or an authorized farm corporation, during the period of time it holds agricultural land under section 500.24, subdivision 3, clause (i), intentionally destroys a conservation practice as defined in Minnesota Statutes 1985 Supplement, section 40.19, subdivision 5, to which the state has made a financial contribution, the corporation must pay the commissioner of agriculture, for deposit in the general fund, an amount equal to the state's total contributions to that conservation practice plus interest from the time of investment in the conservation practice. Interest must be calculated at an annual percentage rate of 12 percent."

Delete the title and insert:

"A bill for an act relating to agriculture; requiring certain corporate owners of agricultural land to reimburse the state for damage to conservation practices; requiring certain lease terms; amending Minnesota Statutes 1984, section 500.24, by adding subdivisions."

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 2197, A bill for an act relating to the family; requiring a parent to provide health and dental insurance as support for a minor child; amending Minnesota Statutes 1984, section 518C.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1984, section 518.551, subdivision 8.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2198, A bill for an act relating to retirement; authorizing the purchase of allowable service credit by a certain member of the public employees retirement association.

Reported the same back with the following amendments:

Page 1, line 7, delete "[PURCHASE OF SERVICE CREDIT.]" and insert "[PAYMENT OF VOLUNTARY ASSESSMENTS.]"

Page 1, line 10, delete "*purchase allowable service*"

Page 1, line 11, delete "*credit in*" and insert "*pay*" and after "*association*" insert "*voluntary assessments*"

Page 1, line 20, delete everything before the period and insert "*pay the voluntary assessments*"

Page 1, line 24, after "*All*" insert "*employee, employer, and employer additional*"

Page 2, line 2, delete everything after the period

Page 2, delete line 3

With the recommendation that when so amended the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 2221, A bill for an act relating to utilities; changing the powers and responsibilities of the chair of the public utilities commission; requiring commissioners to file certain financial information before taking office; prohibiting commissioners and certain employees from engaging in certain activity after leaving the commission; requiring the commission to adopt a code of conduct; amending Minnesota Statutes 1984, sections 216A.035; and 216A.04; proposing coding for new law in Minnesota Statutes, chapter 216A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 216A.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] (AS OF JANUARY 1, 1975 THE PUBLIC UTILITIES COMMISSION SHALL CONSIST OF FIVE MEMBERS, THREE OF WHOM SHALL BE THE MEMBERS THEN SERVING, WHO SHALL CONTINUE TO SERVE FOR THE BALANCE OF THEIR ELECTIVE OR APPOINTIVE TERMS. THERE SHALL BE TWO ADDITIONAL COMMISSIONERS APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE, ONE FOR A TERM EXPIRING DECEMBER 31, 1975, AND ONE FOR A TERM EXPIRING DECEMBER 31, 1977. THEREAFTER) The terms of (ALL SUBSEQUENT) members (OF THE COMMISSION) shall be six years and until their successors have been appointed and qualified. Each commissioner shall be appointed by the governor by and with the advice and consent of the senate. Not more than three commissioners shall belong to the same political party. *No more than three commissioners may be domiciled at the time of appointment in the seven-county metropolitan area; except that if the membership of the commission after July 31, 1986, consists of more than three members domiciled at the time of appointment in the seven-county metropolitan area, the membership shall conform to this requirement following normal attrition of the present commissioners.* The governor in his selection of commissioners shall give consideration to persons learned in the law or persons who have engaged in the profession of engineering, public accounting (OR), property and utility valuation, finance, physical or natural sciences, production agriculture, or natural resources as well as being representative of the general public.

For purposes of this subdivision, "seven-county metropolitan area" means Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

Sec. 2. Minnesota Statutes 1984, section 216A.03, subdivision 3, is amended to read:

Subd. 3. [CHAIRMAN.] The commission shall elect one of their number chairman at the meeting of the commission in the second week in January of each *odd-numbered* year for a term of (ONE YEAR) *two years*. *A person shall not serve as chair for more than two consecutive terms.*

If a vacancy occurs in the position of chairman, the commission shall elect a new chairman to complete the unexpired term.

Sec. 3. Minnesota Statutes 1984, section 216A.035, is amended to read:

216A.035 [CONFLICT OF INTEREST; PENALTY.]

Subdivision 1. [PUBLIC UTILITIES COMMISSION.] (a) A person shall not accept appointment or employment as a public

utilities commissioner or as executive secretary of the commission if within the previous one year that person:

(1) was employed by a person or organization subject to rate regulation by the public utilities commission;

(2) was employed by an affiliate or subsidiary of a person or organization subject to rate regulation by the commission;

(3) represented a person or organization subject to rate regulation by the commission;

(4) was employed by a person or organization that represented or acted as an agent of a person or organization subject to rate regulation by the commission; or

(5) personally acted as an intervenor in a commission hearing.

(b) No person during his term of membership on the public utilities commission, while acting as executive secretary of the commission, or while employed in a professional capacity by the commission shall receive any significant portion of his income directly or indirectly from any public utility or other organization subject to regulation by the commission. (NO PERSON SHALL BE ELIGIBLE TO BE APPOINTED AS A MEMBER OF THE PUBLIC UTILITIES COMMISSION UNLESS AND UNTIL HE DIVESTS HIMSELF OF ANY SIGNIFICANT INTEREST OR ABANDONS ANY EMPLOYMENT WITH A UTILITY.)

(c) Within one year of expiration of service as a public utilities commissioner, or executive secretary of the commission, a person shall not:

(1) seek or accept employment with a person or organization subject to rate regulation by the public utilities commission;

(2) seek or accept employment with an affiliate or subsidiary of a person or organization subject to rate regulation by the commission;

(3) act as an agent or representative of a person or organization subject to rate regulation by the commission;

(4) seek or accept employment with a person or organization that represents or acts as an agent of a person or organization subject to rate regulation by the commission; or

(5) personally act as an intervenor in a commission hearing.

(d) *Each commissioner shall file a statement of economic interest as required by section 10A.09 with the ethical practices board and the public utilities commission before taking office. The statement of economic interest must state any interest that the commissioner has in a company, industry, or business regulated by the commission.*

Subd. 2. [DEPARTMENT OF PUBLIC SERVICE EMPLOYEES.] (a) *A person shall not accept appointment or employment as the director or deputy director of the public service department if within the previous one year that person:*

(1) *was employed by a person or organization subject to rate regulation by the public utilities commission;*

(2) *was employed by an affiliate or subsidiary of a person or organization subject to rate regulation by the commission;*

(3) *represented a person or organization subject to rate regulation by the commission;*

(4) *was employed by a person or organization that represented or acted as an agent of a person or organization subject to rate regulation by the commission; or*

(5) *personally acted as an intervenor in a commission hearing.*

(b) *No person who is an employee of the public service department shall participate in any manner in any decision or action of the commission where he has a direct or indirect financial interest. Each (COMMISSIONER) director or employee of the public service department who is in the general professional, supervisory, or technical units established in section 179A.10 or who is a professional, supervisory, or technical employee defined as confidential in section 179A.03, subdivision 4, or who is a management classification employee and whose duties are related to public utilities or transportation regulation shall report to the ethical practices board annually before April 15 any interest he has in an industry or business regulated by the commission.*

(c) *Within one year of service with the department of public service as the director or a deputy director, a person shall not:*

(1) *seek or accept employment with a person or organization subject to rate regulation by the public utilities commission;*

(2) *seek or accept employment with an affiliate or subsidiary of a person or organization subject to rate regulation by the commission;*

(3) act as an agent or representative of a person or organization subject to rate regulation by the commission;

(4) seek or accept employment with a person or organization that represents or acts as an agent of a person or organization subject to rate regulation by the commission; or

(5) personally act as an intervenor in a commission hearing.

Subd. 3. [PENALTY.] A person who violates subdivision 1, paragraph (a), (b), or (c) or subdivision 2, paragraph (a), (b), or (c) is guilty of a gross misdemeanor.

Sec. 4. [216A.037] [EX PARTE COMMUNICATIONS AND CONDUCT RULES.]

Subdivision 1. [EX PARTE RULES.] The commission shall adopt rules under chapter 14 governing ex parte communications. The ex parte rules may prohibit only ex parte communications by commission members or staff with a party relating to a material issue during a pending contested case proceeding; provided, however, that such rules shall not conflict with Minnesota Statutes, section 14.60, subdivision 2, and section 14.62 nor otherwise restrict the commission's access to information and ideas. A contested case is pending from the time the commission refers the matter to the office of administrative hearings until the commission has issued its final order, and the time to petition for reconsideration has expired or the commission has issued an order finally disposing an application for reconsideration, whichever is later.

Subd. 2. [CONDUCT RULES.] The commission shall adopt rules prescribing a code of conduct for commissioners and employees of the commission. The code of conduct must include standards similar to the judicial code of conduct for judges.

The commission shall adopt emergency rules to implement this subdivision.

Sec. 5. Minnesota Statutes 1984, section 216B.16, subdivision 1a, is amended to read:

Subd. 1a. [SETTLEMENT BARRED.] When a public utility purposes changes in general rates that would increase general rates paid by consumers (BY MORE THAN \$500,000 ANNUALLY), the commission (SHALL NOT) may approve the change (UNTIL AFTER REQUIRING THE OFFICE OF ADMINISTRATIVE HEARINGS TO CONDUCT) without a contested case hearing (ON, AT A MINIMUM, THE APPROPRIATE RATE BASE, EXPENSE AND REVENUE LEVELS FOR THE TEST YEAR, AND THE RATE OF RETURN. IF

THE FORMAL PARTIES TO THE CONTESTED CASE CHOOSE NOT TO CROSS EXAMINE THE TESTIMONY PRESENTED, IT SHALL BE THE DUTY OF THE COMMISSION AND ITS STAFF TO MAKE INQUIRY OF THE WITNESSES PRESENTED TO ENSURE THAT THE TESTIMONY IS WELL REASONED AND CONSTITUTES SUBSTANTIAL EVIDENCE. AFTER A REPORT OF THE EXAMINER HAS BEEN ISSUED, THE COMMISSION MAY PROCEED TO TAKE ACTION ON THE PROPOSED RATES CONSISTENT WITH THE PROVISIONS OF THIS SECTION. THE COMMISSION SHALL NOT ACCEPT ANY STIPULATION THAT IS NOT AGREED TO BY) *if applicant and all intervening parties agree to a stipulated settlement of the case and the settlement is supported by substantial evidence. The commission shall accept or reject the settlement in its entirety and, at any time until its final order is issued in the case, may require the office of administrative hearings to conduct a contested case hearing.*

Sec. 6. Minnesota Statutes 1984, section 216B.16, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OF RATES; HEARING.] Whenever there is filed with the commission a schedule modifying or resulting in a change in any rates then in force as provided in subdivision 1, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected utility a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date. During the suspension the commission shall determine whether all questions of the reasonableness of the rates requested raised by persons deemed interested or by the administrative division of the department of public service can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the office of administrative hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the utility's revenue requirements and (2) determination of the rate design. Upon issuance of both hearing examiner reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the department of public service. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; *except if a settlement has been submitted and rejected by the commission, the schedule is deemed to have been*

approved 12 months after the initial filing. For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Sec. 7. Minnesota Statutes 1984, section 237.075, subdivision 1a, is amended to read:

Subd. 1a. [SETTLEMENT BARRED.] When a telephone company proposes changes in general rates that would increase general rates paid by consumers (BY MORE THAN \$500,000 ANNUALLY), the commission (SHALL NOT) *may* approve the change (UNTIL AFTER REQUIRING THE OFFICE OF ADMINISTRATIVE HEARINGS TO CONDUCT) *without* a contested case hearing (ON, AT A MINIMUM, THE APPROPRIATE RATE BASE, EXPENSE AND REVENUE LEVELS FOR THE TEST YEAR, AND THE RATE OF RETURN. IF THE FORMAL PARTIES TO THE CONTESTED CASE CHOOSE NOT TO CROSS EXAMINE THE TESTIMONY PRESENTED, IT SHALL BE THE DUTY OF THE COMMISSION AND ITS STAFF TO MAKE INQUIRY OF THE WITNESSES PRESENTED TO ENSURE THAT THE TESTIMONY IS WELL REASONED AND CONSTITUTES SUBSTANTIAL EVIDENCE. AFTER A REPORT OF THE EXAMINER HAS BEEN ISSUED, THE COMMISSION MAY PROCEED TO TAKE ACTION ON THE PROPOSED RATES CONSISTENT WITH THE PROVISIONS OF THIS SECTION. THE COMMISSION SHALL NOT ACCEPT ANY STIPULATION THAT IS NOT AGREED TO BY) *if applicant and all intervening parties agree to a stipulated settlement of the case and the settlement is supported by substantial evidence. The commission shall accept or reject the settlement in its entirety and, at any time until its final order is issued in the case, may require the office of administrative hearings to conduct a contested case hearing.*

Sec. 8. Minnesota Statutes 1984, section 237.075, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OF RATES; HEARING.] Whenever there is filed with the commission as provided in subdivision 1 a schedule modifying or resulting in a change in any rate then in force, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected telephone company a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date. During the suspension the commission shall determine whether all questions of the reasonableness of the rates requested raised by persons deemed interested or by the administrative division of the department of public service

can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the office of administrative hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the telephone company's revenue requirements and (2) determination of the rate design. Upon issuance of both administrative law judge reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the department of public service. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; *except if a settlement has been submitted and rejected by the commission, the schedule is deemed to have been approved 12 months after the initial filing.* For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Sec. 9. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1986, and applies to persons elected to a first or second term as chair of the public utilities commission on and after that date. Section 3, subdivision 1, paragraph (a), and subdivision 2, paragraph (a), are effective the day following final enactment and apply to persons accepting appointment or employment on or after that date. Section 3, subdivision 1, paragraph (b), and subdivision 2, paragraph (b), are effective the day following final enactment and apply to persons appointed or employed on and after that date. Section 3, subdivision 1, paragraph (c), and subdivision 2, paragraph (c), are effective the day following final enactment and apply to persons terminating appointment or employment to or with the public utilities commission or department of public service on or after that date. Section 3, subdivision 3 is effective the day following final enactment and applies to violations occurring on or after that date. Section 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to utilities; determining membership on public utilities commission; prescribing terms and duties of chair; delineating and prohibiting conflict of interest by public utility commissioners and certain employees of the commission

and department of public service; imposing a penalty; requiring commission to adopt a code of conduct; amending Minnesota Statutes 1984, sections 216A.03, subdivisions 1 and 3; and 216A.035; 216B.16, subdivisions 1a and 2; 237.075, subdivisions 1a, and 2; proposing coding for new law in Minnesota Statutes, chapter 216A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2263, A bill for an act relating to corporations; conforming to federal law; changing applicability of shareholder voting on control share acquisitions; amending Minnesota Statutes 1985 Supplement, sections 302A.449, subdivision 7; and 302A.671, subdivisions 1 and 3; repealing Laws 1985, First Special Session chapter 5, section 21.

Reported the same back with the following amendments:

Page 3, after line 7, insert:

"Sec. 4. Minnesota Statutes 1984, section 302A.751, is amended by adding a subdivision to read:

Subd. 3b. [DISSOLUTION AS REMEDY.] In exercising its discretion to order dissolution, the court shall consider whether lesser relief suggested by one or more parties, such as any form of equitable relief, a buy-out, or a partial liquidation, would be adequate to permanently relieve the circumstances established under subdivision 1, clause (b) or (c). Lesser relief may be ordered irrespective of whether dissolution would be appropriate under all the facts and circumstances of the case."

Page 3, line 12, delete "4" and insert "5"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 4, delete "amending" and insert "providing for lesser relief than dissolution under certain circumstances; amending Minnesota Statutes 1984, section 302A.751, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 2265, A bill for an act relating to juvenile justice; providing for membership terms, removal, and filling of vacancies on the juvenile justice advisory committee; amending Minnesota Statutes 1984, section 116J.404.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2267, A bill for an act relating to administrative procedures; providing regulatory oversight; defining a rule; creating a legislative regulatory oversight commission; amending Minnesota Statutes 1984, section 14.39; Minnesota Statutes 1985 Supplement, sections 14.02, subdivision 4; 14.40; proposing coding for new law in Minnesota Statutes, chapter 14.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 14.02, subdivision 4, is amended to read:

Subd. 4. [RULE.] "Rule" means *the whole or a part of every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by it or to govern its organization or procedure. Every agency statement that meets this definition is a rule, regardless of whether the agency labels the statement with another term, such as a policy, informational, interpretive, or instructional bulletin or statement.* (IT) Rule does not include (a) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; (b) rules of the commissioner of corrections relating to the internal management of institutions under the commissioner's control and those rules governing the inmates thereof prescribed pursuant to section 609.105; (c) rules of the division of game and fish published in accordance with section 97.53; (d) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs; (e) opinions of the attorney general; (f) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931; (g) the data element dictionary and the annual

data acquisition calendar of the department of education to the extent provided by section 121.932; (h) the comprehensive statewide plan of the crime control planning board provided in section 299A.03; or (i) occupational safety and health standards provided in section 182.655.

Sec. 2. [14.045] [RULEMAKING PLANNING PROCESS.]

Subdivision 1. [PURPOSE.] In order to create a coordinated process for developing on an annual basis Minnesota's rulemaking program, establish the state's rulemaking priorities, increase the accountability of agency heads for the rulemaking actions of their agencies, provide for executive and legislative oversight of the rulemaking process, reduce the burdens of existing and future rules, minimize duplication and conflict of rules, and enhance public, executive, and legislative understanding of the state's rulemaking objectives, there is established a rulemaking planning process by which agencies will develop and publish a rulemaking program for each year.

Subd. 2. [AGENCY SUBMISSION OF RULEMAKING PROGRAM.] (a) The head of each agency shall submit to the legislative commission to review administrative rulemaking a rulemaking program consisting of information summarizing all actions of the agency relating to rulemaking, planned or underway. These actions include actions taken to consider whether to initiate rulemaking, requests for public comment, the development of documents that may influence, anticipate, or could lead to the commencement of rulemaking at a later date, actions taken to seek new rulemaking authority from the legislature, or any agency action designated by the commission as related to rulemaking. An action relating to rulemaking does not include a contested case proceeding or other agency enforcement proceeding. The rulemaking program must include a concise statement summarizing the need for the proposed rules and the costs and benefits expected to result from the rules that may be proposed. The rulemaking program shall be submitted to the legislative commission each year on January 1, unless otherwise determined by the commission, and shall cover the period January 1 to December 31 of that year. After the end of each regular legislative session, each agency head shall review the agency's rulemaking program in light of action taken by the legislature and, if necessary, shall submit a revised rulemaking program to the commission by July 1.

(b) The agency's submission must explain how the proposed rulemaking program is consistent with the agency's authorizing legislation. The rulemaking program must specifically discuss the actions of the agency to amend or repeal existing rules.

(c) Each agency head shall summarize the rulemaking actions described in paragraph (a) in the format that the legisla-

tive commission specifies, and provide additional information that the commission requests.

The legislative commission may exempt from the requirements of this section any class or category of actions that the commission determines is not necessary to review in order to achieve the effective implementation of the program.

Subd. 3. [REVIEW OF THE RULEMAKING PROGRAM.]
(a) In reviewing each agency's rulemaking program, the legislative commission shall (i) consider the consistency of the rulemaking program with the legislature's policies and priorities and the rulemaking programs submitted by other agencies; and (ii) identify further actions that may, in the commission's view, be necessary to achieve this consistency. The commission may make recommendations to any agency concerning its rulemaking program. The commission may publish parts or all of any rulemaking program along with the commission's recommendations.

(b) If the agency head proposes to take an action relating to rulemaking not previously submitted for review under this section, or if the agency head proposes to take an action relating to rulemaking that is materially different from the action described in the agency's rulemaking program, the agency head shall immediately submit the action to the commission for review. Except in the case of emergency situations, as defined by the commission or statutory or judicial deadlines, the agency head shall not take the proposed rulemaking action until 20 days after this submission to the legislative commission. The commission may make recommendations concerning these proposed rulemaking actions.

Subd. 4. [JUDICIAL REVIEW.] *This section is intended only to improve the internal management of state government, and is not intended to create any right or benefit, substantive or procedural, enforceable at law by a party against the state, its agencies, its officers, or any person.*

Sec. 3. [14.116] [REVIEW OF PROPOSED RULES.]

Subdivision 1. [PROPOSED RULEMAKING NOTICE.]
Before an agency orders the publication of a notice of intent to adopt rules, the agency shall send the legislative commission to review administrative rulemaking a notice of intent to proceed with rulemaking, including adoption, suspension, amendment, or repeal of any rule. The notice shall include the text of the proposed rule. Except in the case of emergency rules or other cases specified by the commission, the agency must wait 30 days for any comment or objections to the proposed rule from the commission before publishing notice of intent to adopt rules. In the case of emergency rules, the agency must wait five working days.

Subd. 2. [COMMISSION REVIEW.] (a) The commission shall prescribe procedures for reviewing proposed agency rules and may hold public meetings on proposed rules.

(b) Commission meetings must be open to the public. Subject to commission procedures, persons may present oral or written data or views at those meetings. The commission may require a representative of an agency whose proposed rule is under examination to attend a commission meeting to answer relevant questions. The commission may also communicate to the agency its comments on any proposed rule and require the agency to respond to them in writing. Unless impracticable, advance notice must be given of the time and place of each commission meeting and the specific subject matter to be considered.

(c) The commission may request the attorney general to issue an opinion on whether or not an agency has statutory authority to adopt a proposed rule. The attorney general shall assure that persons responsible for assisting in the preparation of the opinion are not responsible for advising or assisting the agency in the adoption of the proposed rules. The attorney general shall respond to the commission within ten days of receipt of the commission's request for an opinion.

(d)(1) If the commission objects to all or some portion of a proposed rule the commission shall file that objection with the agency proposing the rule and with the revisor of statutes. The filed objection must contain a concise statement of the commission's reasons for its action. The commission shall maintain a permanent register of all objections by the commission.

(2) Within 14 days after the commission files an objection to a rule, the issuing agency shall respond in writing to the commission. After receipt of the response, the commission may withdraw or modify its objection.

(3) If the agency decides to proceed with adopting the portion of the rule that the commission objects to, the agency must publish notice of the commission's objection as soon as possible in the state register. If the commission does not withdraw its objection and if the agency adopts the rule, existence of the objection shall be indicated adjacent to any rule published in Minnesota Rules.

(4) After the commission files an objection that is not subsequently withdrawn, the burden is upon the agency, in any proceeding for judicial review or for enforcement of the rule, to establish that the whole or portion of the rule objected to is procedurally and substantively valid.

(5) The failure of the commission to object to a rule is not an implied legislative authorization of its procedural or substantive validity.

Sec. 4. [14.117] [RULEMAKING ANALYSIS.]

(a) An agency shall issue a rulemaking analysis of a proposed rule if, within 20 days after the notice of proposed rule adoption under section 14.14, subdivision 1a, or 14.22 is published, a written request for the analysis is filed with the agency by the commission to review administrative rulemaking or the governor.

(b) Except to the extent that the written request expressly waives one or more of the following, the rulemaking analysis must contain:

(1) a description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule, and classes that will benefit from the proposed rule;

(2) a description of the probable quantitative and qualitative impact of the proposed rule, economic and otherwise, upon affected classes of persons;

(3) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues;

(4) a comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction;

(5) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule;

(6) a description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule; and

(7) a description of how the proposed rule is different from any federal laws regulating the same activity, and why it is necessary and reasonable to have different state rules.

(c) Each rulemaking analysis must include quantification of the data to the extent practicable and must take account of both short-term and long-term consequences.

(d) A concise summary of the rulemaking analysis must be published in the state register and an agency may not proceed

with a proposed rulemaking until at least 20 days after publication in the state register.

(e) The published summary of the rulemaking analysis must indicate where persons may obtain copies of the full text of the analysis and where, when, and how persons may present their views on the proposed rule and make a written request for a public hearing.

(f) If the agency has made a good faith effort to comply with the requirements of clauses (a) to (c), the rule may not be invalidated on the grounds that the contents of the rulemaking analysis are insufficient or inaccurate.

Sec. 5. [14.121] [SUSPENSION OF PROCEDURES.]

When compliance with the rulemaking provisions of the administrative procedure act would result in a denial of funds or services from the United States government that would otherwise be available to the state, upon written request of an agency, the attorney general, by order, may suspend one or more of the rulemaking provisions of the administrative procedure act. The written request must contain a full explanation of the grounds for the request, and a copy of the request must be sent to persons who have requested to be notified of agency rulemaking actions under section 14.14, subdivision 1a, at the time the request is provided to the attorney general. An order must suspend the minimum number of portions of the administrative procedure act for the minimum time necessary to avoid a denial of federal funds or services. The attorney general must issue an order terminating the suspension as soon as the suspension is no longer necessary to prevent the loss of funds or services from the United States government. The issuance of an order under this section is not subject to chapter 14, except as specifically provided in this section.

Before issuing an order suspending provisions of the administrative procedure act, the attorney general must notify the legislative commission to review administrative rulemaking. The notification must include a list of the rulemaking provision that the attorney general intends to suspend and any comments received from members of the public. If any of the rulemaking provisions of the administrative procedure act are suspended under this section, the attorney general shall promptly publish the order of suspension in the state register and report the suspension to the legislative commission to review administrative rules. Notwithstanding any suspension of portions of the rulemaking provisions of the administrative procedure act under this section, an agency must submit proposed rules to the legislative commission to review administrative rulemaking at least five working days before it begins the process of adopting the rules and the commission may object to the rules under section 3.

Any suspension issued under this section shall apply only to the agency requesting the suspension and only to the rules required to be adopted, amended, suspended, or repealed. An agency that receives a suspension order or an order terminating a suspension from the attorney general must immediately publish notice of the suspended or reinstated portions of the administrative procedure act in the state register and give immediate notice to all persons whose names are registered with the agency to receive rulemaking notices.

Sec. 6. Minnesota Statutes 1984, section 14.39, is amended to read:

14.39 [LEGISLATIVE COMMISSION TO REVIEW ADMINISTRATIVE (RULES) RULEMAKING; COMPOSITION; MEETINGS.]

A legislative commission (FOR REVIEW OF ADMINISTRATIVE RULES, CONSISTING OF FIVE SENATORS APPOINTED BY THE COMMITTEE ON COMMITTEES OF THE SENATE AND FIVE REPRESENTATIVES APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES) to review administrative rulemaking shall be appointed. The commission consists of the chair of the house rules and legislative administration committee or the chair's designee, the chair of the house governmental operations committee or the chair's designee, a member of the house minority caucus appointed by the house minority leader, the chair of the senate rules and legislative administration committee or the chair's designee, the chair of the senate governmental operations committee or the chair's designee, a member of the minority caucus appointed by the senate minority leader, two members of the house appointed by the speaker, and two members of the senate appointed by the committee on committees. The commission shall meet at the call of its chairman or upon a call signed by two of its members or signed by five members of the legislature. The legislative commission chairmanship shall alternate between the two houses of the legislature every two years.

Sec. 7. Minnesota Statutes 1985 Supplement, section 14.40, is amended to read:

14.40 [REVIEW OF RULES BY COMMISSION.]

Subdivision 1. [PURPOSES.] The commission shall promote adequate and proper rules by agencies and an understanding upon the part of the public respecting them.

Subd. 2. [REVIEW OF ADOPTED RULES.] The jurisdiction of the commission includes all rules as defined in section 14.02, subdivision 4. The commission also has jurisdiction of rules which are filed with the secretary of state in accordance with

section 14.38, subdivisions 5, 6, 7, 8, 9, and 11 or were filed with the secretary of state in accordance with the provisions of section 14.38, subdivisions 5 to 9, which were in effect on the date the rules were filed. It may hold public hearings to investigate complaints with respect to rules if it considers the complaints meritorious and worthy of attention. If the rules that are the subject of the public hearing were adopted without a rulemaking hearing, it may request the office of administrative hearings to hold the public hearing and prepare a report summarizing the testimony received at the hearing. The office of administrative hearings shall assess the costs of the public hearing to the agency whose rules are the subject of the hearing.

Subd. 3. [SUSPENSION OF ADOPTED RULES.] The commission may, on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of section 14.42 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session, the rule is effective upon adjournment of the session unless the agency has repealed it. If the bill is enacted, the rule is repealed.

Subd. 4. [REVIEW OF PROPOSED RULEMAKING ACTION.] The commission shall review agency rulemaking programs under section 2. The commission shall review proposed rules as specified in section 3.

Subd. 5. [OTHER ACTION.] The commission has jurisdiction to hear complaints alleging that an agency was required to, but did not, comply with rulemaking procedures before taking an action. The commission may hold public hearings to investigate these complaints. The commission may object to an agency action on the ground that the agency was required to, but did not, comply with rulemaking procedures before taking an action.

The commission must file any objection with the agency taking the action. An agency must submit notice of the objection to the state register within 20 days of receiving the objection from the commission. The agency must respond in writing to the commission concerning the objection. The commission may withdraw or modify its objection. If an objection is withdrawn or modified, the commission shall file notice of this with the agency. The agency must submit notice of the withdrawal or modification to the state register within 20 days of receiving notice.

When the commission files an objection that is not withdrawn, the burden is on the agency in any proceeding for judicial review of the action to establish that the action can lawfully be taken without complying with rulemaking procedures. A court shall award reasonable attorney fees to a prevailing party for that portion of a lawsuit in which the court determines that an agency

was required to, but did not, comply with rulemaking procedures before taking an action.

Subd. 6. [RECOMMENDED LEGISLATION.] The commission may recommend enactment of a statute to improve the operation of an agency. The commission may also recommend that a rule be repealed in whole or in part by statute. The commission shall request the speaker of the house and the majority leader of the senate to refer these recommendations to the appropriate standing committees for their consideration.

Subd. 7. [REPORT.] The commission shall make a biennial report to the legislature and governor of its activities and include its recommendations to promote adequate and proper rules and public understanding of the rules.

Subd. 8. [STAFF ASSISTANCE.] At the request of the commission, other legislative staff shall assist the commission in carrying out its duties.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Sections 2 to 7 are effective January 1, 1987, and apply to rulemaking proceedings commenced after that date. Rulemaking planning programs required by section 2 must be submitted January 1, 1987."

Amend the title as follows:

Page 1, line 3, delete "regulatory" and insert "increased legislative" and after "oversight" insert "of administrative rulemaking" and delete "creating a"

Page 1, line 4, delete everything before "amending" and insert "providing for exceptions to the rulemaking provisions of the administrative procedure act;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 2339, A bill for an act relating to public safety; creating the crimes of aggravated unlicensed operation of a motor vehicle in the first, second, third, and fourth degrees; providing for the seizure, impoundment, and forfeiture of a motor vehicle operated by a driver whose license or operating privilege is suspended or revoked; prescribing penalties for

persons who operate unregistered motor vehicles on streets or highways; requiring mandatory imprisonment and other sanctions for persons convicted of driving while under the influence of alcohol or a controlled substance for a third time; amending Minnesota Statutes 1984, sections 168.09, subdivision 1; 168.10, subdivision 4; 169.121, by adding a subdivision; and 171.241; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 1984, section 171.24; Minnesota Statutes 1985 Supplement, section 169.129.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 168.041, is amended to read:

168.041 [IMPOUNDING REGISTRATION PLATES AND CERTIFICATES.]

Subdivision 1. When any person is convicted of driving a motor vehicle after the suspension or revocation of the (DRIVERS) *driver's* license or driving privileges of such person, the court shall require the registration plates and registration certificates of any motor vehicle involved in such violation owned by such person or registered in his name to be surrendered to the court. Upon surrender thereof the court shall issue a receipt therefor.

If the violator is not the owner of such motor vehicle, the court shall require the registration plates and the registration certificate of any motor vehicle used by the violator, with the permission of the owner who had knowledge of the fact that the violator's drivers license had been revoked or suspended prior to the commission of the offense, to be surrendered to the court.

Subd. 2. If any person is convicted of violating any law or municipal ordinance, except parking laws or ordinances, regulating the operation of motor vehicles on the streets or highways, and the record of such person so convicted shows a previous conviction for driving after suspension or revocation of his driver's license or driving privileges, the court may direct the commissioner of public safety to suspend the driver's license of such person for not exceeding one year. The court may also require the registration plates and registration certificates of any motor vehicles owned by the violator or registered in his name to be surrendered to the court.

Subd. 3. *Except as otherwise provided in subdivision 3a*, if a person is convicted of any offense which makes mandatory the revocation of the (DRIVERS) *driver's* license of such person, or is convicted of driving a motor vehicle without having a valid driver's license in force, the court may require the

registration plates and registration certificates of any motor vehicle owned by such person or any motor vehicles registered in his name to be surrendered to the court.

Subd. 3a. If a person's driver's license or driving privileges are revoked pursuant to a third violation of section 169.121 or 169.123 within five years, or a fourth or subsequent violation of section 169.121 or 169.123 within ten years, the court shall require the registration plates and registration certificates of any motor vehicle involved in the violation and owned by or registered in the name of the violator, including vehicles registered jointly in the name of the violator and the violator's spouse, to be surrendered to the court. An impoundment order shall be issued under this subdivision when the person appears in court on any criminal charge or civil driver's license matter arising out of the incident resulting in the most recent license revocation. If no criminal charge or civil license matter is initiated in court, the attorney general may initiate a registration plate and certificate impoundment proceeding, requesting an impoundment order under this subdivision. This proceeding shall be brought in municipal or county court in the jurisdiction where the violation of section 169.121 or 169.123 occurred.

Subd. 4. (EXCEPT AS PROVIDED IN SUBDIVISION 6 OR SUBDIVISION 7, THE COURT SHALL RETAIN CUSTODY OF THE SURRENDERED PLATES AND CERTIFICATES) *Any registration plates surrendered to the court pursuant to this section shall be destroyed by the court. Any registration certificates surrendered to the court shall be forwarded to the registrar of motor vehicles by the court. Except as provided in subdivision 5a, 6, or 7, no new registration plates may be issued to the person, violator, or owner until such time as the (DRIVERS) driver's license of the person, violator, or owner has been reissued or reinstated.*

Subd. 5. *At the time of ordering the surrender of the registration plates and registration certificates of (A) the person, violator, or owner, the court shall notify the registrar of motor vehicles of that fact. (EXCEPT AS PROVIDED IN SUBDIVISION 6 OR SUBDIVISION 7, NO NEW OR DUPLICATE REGISTRATION PLATES OR NEW REGISTRATION CERTIFICATES SHALL BE ISSUED TO SUCH VIOLATOR OR OWNER UNTIL HIS PLATES AND CERTIFICATES ARE RETURNED TO HIM BY THE COURT.) The registration plates shall be destroyed by the court within three days of the date of surrender. When the registration plates are destroyed, the court shall notify the registrar of motor vehicles of that fact.*

Subd. 5a. If the driver's license revocation which is the basis for a registration plate and certificate impoundment order is rescinded, upon application to the registrar of motor vehicles, the person whose registration plates and certificates have been

impounded shall receive new plates and the certificate for the impounded vehicle at no cost. The application shall include a copy of the order rescinding the driver's license revocation.

Subd. 6. Any such *person*, violator, or owner may apply to the (REGISTRAR OF MOTOR VEHICLES) court which ordered the surrender of registration plates and certificates for new registration plates which shall bear a special series number which may be readily identified by traffic law enforcement officers. (A FEE OF \$5 SHALL ACCOMPANY THE APPLICATION. THE REGISTRAR OF MOTOR VEHICLES SHALL FORTHWITH NOTIFY THE COURT OF SUCH APPLICATION. THE COURT MAY RETURN THE REGISTRATION CERTIFICATE OF SUCH VIOLATOR OR OWNER TO THE REGISTRAR OF MOTOR VEHICLES, TOGETHER WITH ITS CONSENT TO THE ISSUANCE OF SUCH REGISTRATION PLATES TO SUCH VIOLATOR OR OWNER. THEREUPON THE REGISTRAR OF MOTOR VEHICLES SHALL ISSUE SUCH NEW REGISTRATION PLATES.) *The court may authorize the issuance of special plates if (1) a member of the person's, violator's, or owner's household has a valid driver's license, or (2) the person, violator, or owner has a limited license issued pursuant to section 171.30. If the court authorizes the issuance of special plates, it shall notify the registrar of motor vehicles and the registrar shall issue the special plates upon payment of a \$100 fee for each vehicle for which special plates are requested. Until the (DRIVERS) driver's license of such person, violator, or owner is reinstated or reissued, any new registration plates issued to him or to an owner whose plates have been (IMPOUNDED) ordered surrendered shall bear a special series number.*

Subd. 7. If (AN) *the owner wishes to sell a motor vehicle during the time its registration plates and registration certificate (ARE IMPOUNDED) have been ordered surrendered or during the time its registration plates bear a special series number, he may apply to the court which (IMPOUNDED) ordered the surrender of such plates and certificate, for consent to transfer title to the motor vehicle. If the court is satisfied that the proposed sale is in good faith and for a valid consideration, that the owner will thereby be deprived of the custody and control of the motor vehicle, and that the sale is not for the purpose of circumventing the provisions of this section, it may certify its consent to the registrar of motor vehicles (AND RETURN THE IMPOUNDED REGISTRATION PLATES AND CERTIFICATES. IF DURING) The registrar shall then transfer the registration certificate to the new owner upon proper application and shall issue new registration plates to the new owner. After the (TIME THE) registration plates and certificate of registration (ARE IMPOUNDED) have been surrendered to the court pursuant to this section, if the title to said motor vehicle is transferred by the foreclosure of a chattel mortgage, the cancelation of a conditional sales contract, a sale upon execution, or by decree or*

order of a court of competent jurisdiction, the court shall order the (LICENSE PLATES AND) registration certificate surrendered to the new owner (AND NOTIFY THE REGISTRAR OF MOTOR VEHICLES OF SUCH ACTION). The registrar of motor vehicles shall then transfer the registration (PLATES AND REGISTRATION) certificates to the new owner *and shall issue new registration plates to the new owner.*

Subd. 8. Nothing contained in this section is intended to change or modify any provision of this chapter, with respect to the taxation of motor vehicles or the time within which the taxes thereon shall be paid.

Subd. 9. Any person who fails to surrender any (IMPOUNDED) registration plates or registration certificates to the court upon demand *pursuant to this section* or who operates any motor vehicle on a street or highway at a time when a court has ordered the surrender of its registration plates and registration certificate is guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1984, section 169.121, is amended by adding a subdivision to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] A person convicted of violating this section or an ordinance in conformity with it within ten years of two or more prior convictions 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, must be sentenced to not more than the maximum sentence authorized by subdivision 2 and as follows:

(1) to a mandatory minimum term of imprisonment of not less than 30 days;

(2) to payment of a fine of not less than \$1,000; and

(3) to compulsory attendance at a chemical dependency treatment program.

A defendant convicted and sentenced as required by this subdivision is not eligible for probation, parole, discharge, or supervised release until that person has served the full mandatory minimum term of imprisonment for which that person is sentenced, notwithstanding sections 242.19, 243.05, 244.04, 609.12, and 609.135.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1986, and apply to crimes committed on or after that date."

Delete the title and insert:

“A bill for an act relating to public safety; providing for the mandatory surrender of registration plates and certificates on motor vehicles operated by repeat DWI offenders; imposing mandatory minimum penalties on habitual DWI offenders; amending Minnesota Statutes 1984, sections 168.041; and 169.121, by adding a subdivision.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

S. F. No. 1319, A bill for an act relating to motor vehicles; removing liability of motor vehicle lessors for unpaid citations for traffic violations committed by operators of leased or rented motor vehicles; proposing coding for new law in Minnesota Statutes, chapter 168.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

S. F. No. 1612, A bill for an act relating to insurance; changing certain incorporation requirements for domestic insurance corporations; changing certain investment requirements for life insurance companies; amending Minnesota Statutes 1984, sections 60A.07, subdivision 1; and 61A.282, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 13.71, is amended by adding a subdivision to read:

Subd. 5. [DATA ON INSURANCE COMPANIES AND TOWNSHIP MUTUAL COMPANIES.] The following data collected and maintained by the department of commerce are classified as nonpublic data:

(a) that portion of any of the following data which would identify the affected insurance company or township mutual com-

pany: (1) any order issued pursuant to section 60A.031, subdivision 5, or section 67A.241, subdivision 4, and based in whole or in part upon a determination or allegation by the commerce department or commissioner that an insurance company or township mutual company is in an unsound, impaired, or potentially unsound or impaired condition; or (2) any stipulation, consent agreement, letter agreement, or similar document evidencing the settlement of any proceeding commenced pursuant to an order of a type described in clause (1), or an agreement between the department and an insurance company or township mutual company entered in lieu of the issuance of an order of the type described in clause (1);

(b) any correspondence or attachments relating to the data listed in this subdivision.

Sec. 2. Minnesota Statutes 1984, section 60A.07, subdivision 1, is amended to read:

Subdivision 1. [INCORPORATION.] Except when the manner of organization is specifically otherwise provided in sections dealing with (SUCH) these insurers, domestic insurance corporations shall be organized under and governed by chapter 300 (AND). The articles or certificate of incorporation (SHALL BE AS REQUIRED UNDER MINNESOTA STATUTES 1965,) must meet the requirements of section 300.025, except section 300.025, clause (7).

Sec. 3. Minnesota Statutes 1984, section 61A.282, subdivision 1, is amended to read:

61A.282 [INVESTMENTS IN NAME OF COMPANY OR NOMINEE AND PROHIBITIONS.]

Subdivision 1. [REQUIREMENTS.] A company's investments shall be held in its corporate name or its nominee name, except that:

(a) Investments may be held in the name of a clearing corporation or of a custodian bank or in the name of the nominee of either under the following conditions:

(1) The clearing corporation, custodian bank, or nominee must be legally authorized to hold the particular investment for the account of others;

(2) Where the investment is evidenced by a certificate and held in the name of a custodian bank or the nominee of a custodian bank, a written agreement shall provide that certificates so deposited shall at all times be kept separate and apart from other deposits with the depository, so that at all times they may be identified as belonging solely to the company making the deposit; or

(3) Where a clearing corporation is to act as depository, the investment may be merged or held in bulk in the clearing corporation's name, or in the name of its nominee, together with any other investments deposited with the clearing corporation by any other person, if a written agreement provides that adequate evidence of the deposit will be obtained and retained by the company or a custodian bank.

As used in this subdivision, ("CLEARING CORPORATION" MEANS THE DEPOSITORY TRUST COMPANY AND, WITH THE APPROVAL OF THE COMMISSIONER, ANY OTHER CLEARING CORPORATION AS DEFINED IN SECTION 336.-8-102;) the term "custodian bank" means a bank or trust company licensed by the United States or any state thereof.

(b) A company may participate, through a bank or trust company which is a member of the Federal Reserve System, in the Federal Reserve's book-entry system, if the records of the member bank or trust company at all times show that the investments are held for the company and/or for specific accounts of the company.

(c) If an investment consists of an individual interest in a pool of obligations, or of a fractional interest in a single obligation, the certificate of participation or interest, or the confirmation of participation or interest in the investment, shall be held in the manner set forth in paragraph (a) or held in the name of the company.

(d) Where an investment is not evidenced by a certificate, except as provided in paragraph (b), adequate evidence of the company's investment shall be obtained from the issuer or its transfer or recording agent and retained by the company, a custodian bank, or clearing corporation. Adequate evidence, for purposes of this section, shall mean a written receipt or other verification issued by the depository or issuer or a custodian bank which shows that the investment is held for the company. Transfers of ownership of investments held as described in paragraphs (a) (3), (b), and (c) may be evidenced by bookkeeping entry on the books of the issuer of the investment or its transfer or recording agent or the clearing corporation without physical delivery of certificates, if any, evidencing the company's investment.

Sec. 4. [62F.041] [HOSPITALS AND NURSING HOMES.]

Subdivision 1. The association is authorized to issue medical malpractice insurance on a primary basis to hospitals and nursing homes which are unable to obtain coverage in the voluntary market. Issuance of these coverages is not subject to the hearing requirement set forth in section 62F.04, subdivision 1, but shall be otherwise governed by the provisions of section 62F.

Subd. 2. This section shall expire on June 30, 1987.

Sec. 5. Minnesota Statutes 1984, section 62F.06, subdivision 1, is amended to read:

Subdivision 1. A policy issued by the association shall provide for a continuous period of coverage beginning with its effective date and terminating automatically at 12:01 a.m. on September 1, 1988, or sooner as provided in sections 62F.01 to 62F.14. The policy shall be issued subject to the group retrospective rating plan and the stabilization reserve fund authorized by section 62F.09. The policy shall be written to apply to (INJURY WHICH RESULTS FROM ACTS OR OMISSIONS) *claims first made against the insured and reported to the association* during the policy period. No policy form shall be used by the association unless it has been filed with the commissioner, and the commissioner may disapprove the form within 30 days if he determines it is misleading or violates public policy.

Sec. 6. Minnesota Statutes 1984, section 62F.09, is amended to read:

62F.09 [STABILIZATION RESERVE FUND.]

Subdivision 1. There is created a stabilization reserve fund administered by (THREE DIRECTORS, AS FOLLOWS: THE COMMISSIONER; A REPRESENTATIVE OF THE ASSOCIATION APPOINTED BY THE COMMISSIONER; AND A REPRESENTATIVE OF THE POLICYHOLDERS OF THE ASSOCIATION, APPOINTED BY THE COMMISSIONER.)

(SUBD. 2. THE DIRECTORS SHALL ACT BY MAJORITY VOTE WITH TWO DIRECTORS CONSTITUTING A QUORUM FOR THE TRANSACTION OF ANY BUSINESS OR THE EXERCISE OF ANY POWER OF THE FUND. THE DIRECTORS SHALL SERVE WITHOUT SALARY, BUT SHALL BE REIMBURSED FOR EXPENSES IN THE MANNER PROVIDED FOR STATE EMPLOYEES. THE DIRECTORS SHALL NOT BE SUBJECT TO PERSONAL LIABILITY OR ACCOUNTABILITY IN THE ADMINISTRATION OF THE FUND) *the association or its designee.*

Subd. (3) 2. Each policyholder shall pay to the association a stabilization reserve fund charge of 33 percent of each premium payment due for insurance through the association. This charge shall be separately stated in the policy. The association shall cancel the policy of any policyholder who fails to pay the stabilization reserve fund charge.

Subd. (4) 3. The association shall promptly pay into the stabilization reserve fund charges which it collects from its policyholders and any retrospective premium refunds payable under the group retrospective rating plan.

Subd. (5) 4. All moneys paid into the fund shall be held in trust by a corporate trustee selected by the directors. The corporate trustee may invest the moneys held in trust, subject to the approval of the (DIRECTORS) *association*. All (INVESTMENT INCOME) *gains or losses from the investment of stabilization reserve fund money* shall be credited to the fund. All expenses of administration of the fund shall be charged against the fund. (THE MONEYS HELD IN TRUST) *Stabilization reserve fund money* shall be used solely for the purpose of discharging when due any retrospective premium charges payable by policyholders of the association under the group retrospective rating plan. Payment of retrospective premium charges shall be made (BY THE DIRECTORS) upon certification (TO THEM) by the association of the amount due. If all moneys accruing to the fund are exhausted in payment of retrospective premium charges, all liability and obligations of the association's policyholders with respect to the payment of retrospective premium charges shall terminate and shall be conclusively presumed to have been discharged. Any moneys remaining in the fund after all retrospective premium charges have been paid shall be returned to policyholders under procedures authorized by the (DIRECTORS) *association*.

Sec. 7. Minnesota Statutes 1985 Supplement, section 64B.01, is amended to read:

64B.01 [FRATERNAL BENEFIT SOCIETIES.]

Any incorporated society, order, or supreme lodge, without capital stock, including one exempted under section 64B.38, subdivision 1, clause (2), whether incorporated or not, conducted solely for the benefit of its members and their beneficiaries and not for profit, operated on a lodge system with ritualistic form of work *or branch system that confines its membership to any one religious denomination*, having a representative form of government, and which provides benefits in accordance with this chapter, is hereby declared to be a fraternal benefit society.

Sec. 8. Minnesota Statutes 1985 Supplement, section 64B.03, is amended to read:

64B.03 [REPRESENTATIVE FORM OF GOVERNMENT.]

(a) A society has a representative form of government when it has a supreme governing body constituted in one of the following ways:

(1) The supreme governing body is an assembly composed of delegates elected directly by the members or at intermediate assemblies or conventions of members or their representatives, together with other delegates as may be prescribed in the

society's laws. A society may provide for election of delegates by mail. The elected delegates shall constitute a majority in number and shall not have less than two-thirds of the votes and not less than the number of votes required to amend the society's laws. The assembly shall be elected and shall meet at least once every four years and shall elect a board of directors to conduct the business of the society between meetings of the assembly. Vacancies on the board of directors between elections may be filled in the manner prescribed by the society's laws.

(2) The supreme governing body is a board composed of persons elected by the members, either directly or by their representatives in intermediate assemblies, and any other persons prescribed in the society's laws. A society may provide for election of the board by mail. Each term of a board member may not exceed four years. Vacancies on the board between elections may be filled in the manner prescribed by the society's laws. Those persons elected to the board shall constitute a majority in number and not less than the number of votes required to amend the society's laws. A person filling the unexpired term of an elected board member shall be considered to be an elected member. The board shall meet at least quarterly to conduct the business of the society.

(b) A society has a representative form of government when the officers of the society are elected either by the supreme governing body or by the board of directors.

(c) A society has a representative form of government when only benefit members are eligible for election to the supreme governing body (,) and the board of directors (, OR ANY INTERMEDIATE ASSEMBLY).

(d) A society has a representative form of government when each voting member shall have one vote and no vote may be cast by proxy.

Sec. 9. Minnesota Statutes 1984, section 65B.06, subdivision 3, is amended to read:

Subd. 3. With respect to all automobiles not included in subdivisions 1 and 2, the facility shall provide:

(1) Only the insurance coverage required by law;

(2) For the equitable distribution of qualified applicants for this coverage among the participating members in accord with the applicable participation ratio; and

(3) *For a school district or contractor transporting school children under contract with a school district, that amount of*

automobile liability insurance coverage, not to exceed \$1,000,000, required by the school district by resolution or contract, or that portion of such \$1,000,000 of coverage for which the school district or contractor applies and for which it is eligible under section 65B.10.

Sec. 10. Minnesota Statutes 1984, section 245.814, is amended to read:

245.814 [LIABILITY INSURANCE FOR FOSTER PARENTS.]

Subdivision 1. The commissioner of human services shall within the appropriation provided purchase and provide insurance to foster parents to cover their liability for:

(1) injuries or property damage caused or sustained by foster children in their home; and

(2) actions arising out of alienation of affections sustained by the natural parents of a foster child.

Subd. 2. Coverage shall apply to all foster boarding homes licensed by the department of human services, licensed by a federally recognized tribal government, or established by the juvenile court and certified by the commissioner of corrections pursuant to section 260.185, subdivision 1, clause (c) (5), to the extent that the liability is not covered by the provisions of the standard homeowner's or automobile insurance policy. The insurance shall not cover property owned by the foster parents, damage caused intentionally by a child over 12 years of age, or property damage arising out of business pursuits or the operation of any vehicle, machinery, or equipment.

Subd. 3. If the commissioner of human services is unable to obtain insurance through ordinary methods for coverage of foster parents, the appropriation shall be returned to the general fund and the state shall pay claims subject to the following limitations.

(a) Compensation shall be provided only for injuries, damage, or actions set forth in subdivision 1.

(b) Compensation shall be subject to the conditions and exclusions set forth in subdivision 2.

(c) The state shall provide compensation for bodily injury, property damage, or personal injury resulting from the foster parent's activities as a foster parent while the foster child is in

the care, custody, and control of the foster parent in an amount not to exceed \$250,000 for each occurrence.

(d) The state shall provide compensation for damage or destruction of property caused or sustained by a foster child in an amount not to exceed \$250 for each occurrence.

(e) The compensation in clauses (c) and (d) is the total obligation for all damages because of each occurrence regardless of the number of claims made in connection with the same occurrence, but compensation applies separately to each foster home. The state shall have no other responsibility to provide compensation for any injury or loss caused or sustained by any foster parent or foster child.

This coverage is extended as a benefit to foster parents to encourage care of children who need out-of-home care. Nothing in this section shall be construed to mean that foster parents are agents or employees of the state nor does the state accept any responsibility for the selection, monitoring, supervision, or control of foster parents which is exclusively the responsibility of the counties which shall regulate foster parents in the manner set forth in the rules of the commissioner of human services.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to insurance; changing certain incorporation requirements for domestic insurance corporations; classifying certain data collected by the commissioner of commerce as nonpublic data; changing certain investment requirements for life insurance companies; authorizing joint underwriting association issuance of insurance to hospitals and nursing homes; providing liability insurance for foster parents; regulating fraternal benefit societies; allowing the Minnesota automobile insurance plan to write liability insurance on school buses up to \$1,000,000; redefining cost for purpose of insurance company bidding for government contracts; amending Minnesota Statutes 1984, sections 60A.07, subdivision 1; 61A.282, subdivision 1; 65B.06, subdivision 3; 62F.06, subdivision 1; 62F.09; and 245.814; Minnesota Statutes 1985 Supplement, sections 13.71, by adding a subdivision; 64B.01; and 64B.03; proposing coding for new law in Minnesota Statutes, chapter 62F."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 804, 1776, 1846, 1869, 1887, 1890, 1917, 1919, 1958, 2141, 2197, 2198, 2263, 2265, 2267 and 2339 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1319 and 1612 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Ozment, Welle and Marsh introduced:

H. F. No. 2429, A bill for an act relating to transportation; adding new route to trunk highway system in substitution of existing route; allowing old highway to be turned back to city of Willmar; permitting commissioner of transportation to exchange transportation facilities under conditions of clear public benefit; providing for variance from rules for certain tank motor vehicles; providing that the use of certain high occupancy lanes and exclusive bus lanes by vehicles carrying more than one person to be considered by commissioner of transportation; directing revisor of statutes to make route substitutions; amending Minnesota Statutes 1985 Supplement, sections 161.20, subdivision 2; and 221.033, subdivision 3; and Laws 1974, chapter 151, section 3.

The bill was read for the first time and referred to the Committee on Transportation.

Zaffke, by request, introduced:

H. F. No. 2430, A bill for an act relating to dogs; prohibiting certain dog houses; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 347.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Waltman introduced:

H. F. No. 2431, A bill for an act relating to public assistance; requiring the provision of general assistance medical assistance to certain persons in hospitals; amending Minnesota Statutes 1985 Supplement, section 256D.03, subdivision 4.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Stanisus introduced :

H. F. No. 2432, A bill for an act relating to health; authorizing the commissioner of commerce to regulate the financial affairs of health maintenance organizations; requiring the commissioner of health to approve quality assurance programs in health maintenance organizations; prohibiting exclusive dealing agreements; requiring certain medical assistance recipients to enroll in pre-paid health plans; amending Minnesota Statutes 1984, sections 62D.03; 62D.04, as amended; 62D.05, by adding a subdivision; 62D.08; 62D.14; 62D.15, subdivision 1, and by adding a subdivision; 62D.16; 62D.17; 62D.20; 62D.21; 72A.20, by adding a subdivision; 256.045, subdivision 3, and by adding a subdivision; and 256B.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 252.27, subdivision 2; and 256D.03, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62D and 256B; repealing Minnesota Statutes 1984, sections 256.045, subdivision 2; and 256.966, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sherman and Johnson introduced :

H. F. No. 2433, A bill for an act relating to solid waste disposal; deferring the application of certain Minnesota pollution control agency rules for certain counties until September 1, 1988.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Kostohryz, Osthoff, Jacobs, Begich and Elioff introduced :

H. F. No. 2434, A bill for an act relating to economic development; establishing a state lottery; creating a state lottery board; prescribing its powers and duties; providing for the disposition of revenues from the state lottery; creating certain funds in the state treasury; appropriating money; providing penalties; proposing an amendment to the Minnesota Constitution; repealing article XIII, section 5, which prohibits lotteries; amending Minnesota Statutes 1984, sections 290.61; 290.92, by adding a subdivision; 297A.43; Minnesota Statutes 1985 Supplement, section 290.17, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 349A.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Otis, Scheid, Ogren, Brandl and Burger introduced :

H. F. No. 2435, A resolution memorializing the President and Congress of the United States to adopt legislation preventing state and local governments from providing corporate welfare.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Knickerbocker introduced :

H. F. No. 2436, A bill for an act relating to retirement; early retirement; extending the time for retirement under the Rule of 85; amending Minnesota Statutes 1985 Supplement, section 356.70, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Redalen and Uphus introduced :

H. F. No. 2437, A bill for an act relating to taxation; requiring the board of equalization to use involuntary sales in the sales ratio study under certain conditions; requiring certificates of value to be recorded by 90 days after a sale; amending Minnesota Statutes 1984, sections 270.12, subdivision 2; and 272.115, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Welle and Johnson introduced :

H. F. No. 2438, A bill for an act relating to transportation; providing an alternative procedure to record town roads; proposing coding for new law in Minnesota Statutes, chapter 164.

The bill was read for the first time and referred to the Committee on Transportation.

Wynia, Vellenga, Rodosovich, McLaughlin and Piper introduced:

H. F. No. 2439, A bill for an act relating to human services; requiring nursing home providers to refund excess charges within a certain time period; providing for treble damages.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Heap, Brandl, Levi, Norton and Wynia introduced:

H. F. No. 2440, A bill for an act relating to appropriations; changing the recipient of a grant for development of an invention support system; amending Laws 1985, first special session chapter 13, section 28, subdivision 7.

The bill was read for the first time and referred to the Committee on Appropriations.

Blatz introduced:

H. F. No. 2441, A bill for an act relating to criminal procedure; providing for joinder of trials when two or more defendants are charged with criminal sexual conduct; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Ellingson, Riveness, Scheid, Segal and Carlson, L., introduced:

H. F. No. 2442, A bill for an act relating to Hennepin county; creating a county housing and redevelopment authority; applying the provisions of the municipal housing and redevelopment act to Hennepin county; providing for local approval of projects.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Price and Beard introduced:

H. F. No. 2443, A bill for an act relating to economic development; creating the district 56 development association and providing for the powers and administration of the association; proposing coding for new law as Minnesota Statutes, chapter 116N.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Ogren and Murphy introduced:

H. F. No. 2444, A bill for an act relating to the city of Cloquet; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Tjornhom, Ogren, Marsh and O'Connor introduced:

H. F. No. 2445, A bill for an act relating to corporations; regulating derivative suits; authorizing board-appointed and court-appointed committees; regulating dissolution; amending Minnesota Statutes 1984, sections 302A.243; and 302A.751, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Tjornhom and Riveness introduced:

H. F. No. 2446, A bill for an act relating to transportation; municipal state-aid streets; authorizing cities to use municipal state-aid funds to purchase emergency traffic light systems; amending Minnesota Statutes 1984, section 162.14, subdivision 2.

The bill was read for the first time and referred to the Committee on Transportation.

Sarna, Osthoff, Bennett, Stanius and Carlson, D., introduced:

H. F. No. 2447, A bill for an act relating to game and fish; dedicating revenues from the fishing license surcharge, small game surcharge, migratory waterfowl stamp, pheasant stamp, and trout and salmon stamp; requiring preparation and presentation of work plans before fishing license surcharge appropriation is spent; clarifying allowed administrative expenses from dedicated receipts; amending Minnesota Statutes 1984, sections 97.4841, subdivision 4; 97.4842, subdivision 3; 97.4843, subdivision 4; 97.49, subdivision 1; and 97.86, subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Thiede introduced:

H. F. No. 2448, A bill for an act relating to civil actions; limiting the amount of damages for noneconomic loss; proposing coding for new law in Minnesota Statutes, chapter 549.

The bill was read for the first time and referred to the Committee on Judiciary.

Vanasek introduced:

H. F. No. 2449, A bill for an act relating to game and fish; revocation and ineligibility for game and fish licenses upon certain convictions; amending Minnesota Statutes 1984, section 98.52, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Voss; Quinn; Carlson, L., and Price introduced:

H. F. No. 2450, A bill for an act relating to insurance; creating a joint underwriting association; requiring participation by insurers; proposing new law coded as Minnesota Statutes, chapter 62I.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Sviggum introduced :

H. F. No. 2451, A bill for an act relating to crimes; providing a penalty for assaulting correctional officers; amending Minnesota Statutes 1985 Supplement, section 609.2231, subdivision 1.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Osthoff introduced :

H. F. No. 2452, A bill for an act relating to the city of Saint Paul; providing for the redesign, reconstruction and widening of Lexington avenue south of Larpenteur avenue; amending Laws 1977, chapter 402, section 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Rodosovich introduced :

H. F. No. 2453, A bill for an act relating to state lands; authorizing conveyance of certain state easement.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Sherman and Johnson introduced :

H. F. No. 2454, A bill for an act relating to solid waste disposal; providing assistance to Winona county; appropriating money.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Peterson introduced :

H. F. No. 2455, A bill for an act relating to taxation; rescinding the repeal of the income tax exclusion for interest earned on certain family farm security loans; exempting certain shelterbelts from taxation and replacing revenue lost due to the exemption; delaying payment date for second half property taxes on

agricultural property; exempting gain realized on an involuntary discharge of indebtedness relating to property used in a family farm; appropriating money; amending Minnesota Statutes 1984, sections 272.02, by adding a subdivision; 276.09; 276.10; 278.03; and 290.16, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 41.55; 272.02, subdivision 1; 278.05, subdivision 5; 279.01, subdivision 1; 290.01, subdivisions 20a and 20b; 290.091, subdivision 2; 290.491; and Laws 1985, first special session chapter 14, article 1, section 59.

The bill was read for the first time and referred to the Committee on Taxes.

Peterson introduced:

H. F. No. 2456, A bill for an act relating to conservation; requiring county soil loss ordinances to be adopted; requiring approval of soil loss ordinances by the commissioner of agriculture; prohibiting removal of conservation practices implemented with cost-sharing funds; authorizing remedies and penalties for removing certain conservation practices; making certain conservation practices easements on the land; prohibiting burning or tilling road right-of-ways unless vegetative cover is being established; requiring a report on road right-of-way mowing and grass strip maintenance on drainage ditches; amending Minnesota Statutes 1985 Supplement, sections 40.20; 40.21, subdivision 1; 40.26; 40.28; and 160.232; proposing coding for new law in Minnesota Statutes, chapter 40; repealing Minnesota Statutes 1984, section 40.27.

The bill was read for the first time and referred to the Committee on Agriculture.

Peterson introduced:

H. F. No. 2457, A bill for an act relating to agriculture; increasing the amount of an agricultural or business loan subject to usury limits; modifying exemptions; requiring notices; providing remedies for failing to notify; exempting family farm corporations from usurious defense prohibitions; extending program to provide a mechanism to aid restructuring of existing farm loans and to provide for partial payment of interest on loans to farmers; amending Minnesota Statutes 1984, sections 334.01, subdivision 2; and 334.011; Minnesota Statutes 1985 Supplement, section 334.021; Laws 1985, chapter 4, sections 2; 6, subdivisions 2, 3, and 4, as amended; 8; 10; and 11.

The bill was read for the first time and referred to the Committee on Agriculture.

Peterson introduced :

H. F. No. 2458, A bill for an act relating to agriculture; requiring data collection and reports on the state's farmers' financial condition and farm ownership; requiring the farmers' percentage of food retail price to be labeled on foods; establishing a program to facilitate buyers and sellers of premium quality agricultural commodities; investigating feasibility of premium quality agricultural markets; requiring a report to the legislature; amending Minnesota Statutes 1984, section 31.12; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time and referred to the Committee on Agriculture.

Uphus, McDonald, Piepho and Kalis introduced :

H. F. No. 2459, A bill for an act relating to taxation; reducing the tax credit for agricultural alcohol gasoline; providing for payments to producers of agricultural alcohol; appropriating money; amending Minnesota Statutes 1985 Supplement, section 296.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 41A.

The bill was read for the first time and referred to the Committee on Taxes.

Valan and Anderson, G., introduced :

H. F. No. 2460, A bill for an act relating to agriculture; establishing a program of state-guaranteed real estate and operating loans for certain beginning and reentering farmers; authorizing issuance of bonds; proposing coding for new law as Minnesota Statutes, chapter 41B.

The bill was read for the first time and referred to the Committee on Agriculture.

Burger and Clark introduced :

H. F. No. 2461, A bill for an act relating to health; requiring licensure to practice naturopathy; providing for conditions of licensure; qualifications and exemptions; establishing a state board of naturopathic examiners; providing for discipline and penalties; proposing coding for new law in Minnesota Statutes, chapter 148.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Voss introduced :

H. F. No. 2462, A bill for an act relating to courts; proposing an amendment to the Minnesota Constitution, article VI, by adding a section to provide for a legislative commission on attorney discipline; implementing the commission process; proposing coding for new law in Minnesota Statutes, chapter 481; repealing Minnesota Statutes 1984, section 481.15.

The bill was read for the first time and referred to the Committee on Judiciary.

Voss introduced :

H. F. No. 2463, A bill for an act relating to courts; proposing an amendment to the Minnesota Constitution, article VI, by adding a section to provide for a legislative commission on judicial discipline; implementing the commission process; proposing coding for new law in Minnesota Statutes, chapter 490; repealing Minnesota Statutes 1984, sections 490.15; 490.16; and 490.18.

The bill was read for the first time and referred to the Committee on Judiciary.

Omann introduced :

H. F. No. 2464, A bill for an act relating to the city of Bowlus; permitting the city to exceed its debt limit for a firehall.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

McKasy introduced :

H. F. No. 2465, A bill for an act relating to taxation; modifying the taconite homestead credit; providing a taconite credit for certain property; reducing the occupation tax rate; allowing full deduction of the production tax and certain transportation expenses in calculating the occupation tax; decreasing the production tax rate; eliminating the indexed increases in the taconite production tax rate; changing the distribution of the taconite production tax in certain areas; amending Minnesota Statutes 1984, sections 273.135, subdivision 5, and by adding a subdivision; 294.23; 298.24, subdivision 1; Minnesota Statutes 1985 Supplement, sections 273.135, subdivisions 1 and 2; 294.22; 298.01, subdivision 1; 298.03; and 298.28, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Sviggum introduced:

H. F. No. 2466, A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and recreation areas.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Schreiber introduced:

H. F. No. 2467, A bill for an act relating to taxation; tax increment financing; modifying the computation of school aids for districts receiving excess increments; modifying the definition and duration of tax increment financing districts; modifying procedures; limiting the purposes for which tax increments may be expended; providing for reimbursement of county expenses; amending Minnesota Statutes 1984, sections 124.214, by adding a subdivision; 273.73, subdivision 10; 273.74, subdivision 4; 273.75, subdivisions 2, 6, and by adding subdivisions; 273.76, subdivisions 4, 7, and by adding a subdivision; 273.78; 475.51, subdivision 5; Minnesota Statutes 1985 Supplement, sections 273.74, subdivisions 2 and 3; 273.75, subdivisions 1 and 4; and 273.76, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Carlson, J., introduced:

H. F. No. 2468, A bill for an act relating to historical associations; providing procedures and limits for certain state assistance; amending Minnesota Statutes 1984, sections 138.92; and 138.93.

The bill was read for the first time and referred to the Committee on Governmental Operations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1794, A bill for an act relating to human services; extending the deadline for permanent rules for nursing home

reimbursement under the medical assistance program; amending Minnesota Statutes 1984, sections 144.072, subdivision 2; and 256B.431, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 628, A bill for an act relating to game and fish; enhancement of fish and wildlife; planning and implementation of wildlife management; conservation of marginal agricultural lands; habitat management; aspen recycling program; appropriating money; amending Minnesota Statutes 1984, sections 97.49, subdivision 3; 97.55, by adding a subdivision; 98.52, by adding a subdivision; 290.431; and 296.421, subdivisions 4 and 5; Laws 1985, chapter 4, section 10; proposing coding for new law in Minnesota Statutes, chapters 40, 84, and 88.

The Senate has appointed as such Committee Peterson, R. W.; Bernhagen; Merriam; Benson and DeCramer.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has discharged the present Conference Committee and appointed a new committee on the following Senate File:

S. F. No. 5, A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039; 340.119, subdivision 2; 340.13, subdivision 12; 340.-403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.-79; and 340.80.

The Senate has appointed as such Committee Diessner; Purfeerst and Johnson, D. E.

Senate File No. 5 is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Schafer moved that the present House Conference Committee of 5 members on S. F. No. 5 be discharged, that the Speaker appoint a new Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 5:

Schafer, Gutknecht and Kelly.

CONSENT CALENDAR

S. F. No. 1575, A bill for an act relating to local improvements; permitting counties to make certain improvements anywhere within their territory; amending Minnesota Statutes 1984, section 429.011, subdivision 5; Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 111 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dyke	Krueger	Olson, E.	Rose
Backlund	Elioff	Levi	Omann	Sarna
Battaglia	Erickson	Lieder	Onnen	Schafer
Beard	Fjoslien	Long	Ozment	Schoenfeld
Becklin	Forsythe	Marsh	Pappas	Schreiber
Begich	Frederick	McDonald	Pauly	Seaberg
Bennett	Frederickson	McEachern	Peterson	Segal
Bishop	Frerichs	McLaughlin	Piepho	Shaver
Blatz	Greenfield	Metzen	Piper	Sherman
Boerboom	Gruenes	Miller	Poppenhagen	Simoneau
Boo	Halberg	Minne	Price	Skoglund
Brandl	Hartinger	Munger	Quinn	Solberg
Brinkman	Hartle	Murphy	Quist	Stanisus
Brown	Himle	Nelson, D.	Redalen	Staten
Burger	Jacobs	Nelson, K.	Rees	Svigum
Carlson, J.	Jennings, L.	Neuenschwander	Rest	Thiede
Carlson, L.	Kiffmeyer	Norton	Rice	Thorson
Clausnitzer	Knickerbocker	O'Connor	Richter	Tjornhom
Dempsey	Knuth	Ogren	Riveness	Tompkins
DenOuden	Kostohryz	Olsen, S.	Rodosovich	Uphus

Valan
Valento
Vanasek

Velleaga
Voss

Waltman
Welle

Wenzel
Wynia

Zaffke
Spk. Jennings, D.

The bill was passed and its title agreed to.

S. F. No. 1587, A bill for an act relating to public indebtedness; permitting home rule charter and statutory cities and towns to incur debt for warning systems; amending Minnesota Statutes 1984, section 475.52, subdivision 1; and Minnesota Statutes 1985 Supplement, section 366.095.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fjoslien	Marsh	Piepho	Solberg
Backlund	Forsythe	McDonald	Piper	Stanius
Battaglia	Frederick	McEachern	Poppenhagen	Staten
Beard	Frederickson	McLaughlin	Price	Swiggum
Becklin	Frerichs	Metzen	Quinn	Thiede
Begich	Greenfield	Miller	Quist	Thorson
Bennett	Gruenes	Minne	Redalen	Tjornhom
Bishop	Gutknecht	Munger	Rces	Tompkins
Blatz	Halberg	Murphy	Rest	Uphus
Boerboom	Hartinger	Nelson, D.	Rice	Valan
Boo	Hartle	Nelson, K.	Richter	Valento
Brandl	Himle	Neuenschwander	Rodosovich	Vanasek
Brinkman	Jacobs	Norton	Rose	Vellenga
Brown	Jennings, L.	O'Connor	Sarna	Voss
Burger	Johnson	Ogren	Schafer	Waltman
Carlson, J.	Kelly	Olsen, S.	Scheid	Welle
Carlson, L.	Kiffmeyer	Omann	Schoenfeld	Wenzel
Clausnitzer	Knickerbocker	Onnen	Schreiber	Wynia
Dempsey	Knuth	Osthoff	Seaberg	Zaffke
DenOuden	Kostohryz	Otis	Segal	Spk. Jennings, D.
Dimler	Krueger	Orzment	Shaver	
Dyke	Levi	Pappas	Sherman	
Elioff	Lieder	Pauly	Simoneau	
Erickson	Long	Peterson	Skoglund	

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Levi, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be acted upon immediately preceding General Orders pending for Thursday, February 27, 1986:

S. F. No. 1600; H. F. Nos. 1807, 1926, 1928, 1991, 2014, 1635, 1730, 1850, 1886, 1940, 1969, 1978, 1984, 2035, 2044, 2081, 2082, 1781, 1835, 2009, 2011 and 2012; and S. F. No. 1597.

SPECIAL ORDERS

S. F. No. 1600 was reported to the House.

Blatz moved to amend S. F. No. 1600, as follows:

Page 1, after line 12, insert:

“Section 1. Minnesota Statutes 1984, section 259.10, is amended to read:

259.10 [PROCEDURE.]

A person who shall have resided in (ANY COUNTY) *this state* for (ONE YEAR) *six months* may apply to the district court (THEREOF) *in the county where the person resides* to have his name, the names of his minor children, if any, and the name of his spouse, if the spouse joins in the application, changed in the manner herein specified. He shall state in his application the name and age of his spouse and each of his children, if any, and shall describe all lands in the state in or upon which he, his children and his spouse if their names are also to be changed by the application, claim any interest or lien, and shall appear personally before the court and prove his identity by at least two witnesses. If he be a minor, the application shall be made by his guardian or next of kin. Every person who, with intent to defraud, shall make a false statement in any such application shall be guilty of a misdemeanor provided, however, that no minor child's name may be changed without both of his parents having notice of the pending of the application for change of name, whenever practicable, as determined by the court.”

Page 2, after line 31, insert:

“Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

Renumber the sections accordingly

Amend the title as follows:

Page 1, line 2, insert after the semicolon “reducing the statutory time of residency required for a change of name;”

Page 1, line 8, delete "section" and insert "sections 259.10; and"

The motion prevailed and the amendment was adopted.

S. F. No. 1600, A bill for an act relating to courts; altering the responsibility for the procedure to be followed when filing a change of name with the county recorder; eliminating the limits on the amount of bond to be posted by the clerk of court; prohibiting employees of the clerk's office from practicing law in the court in which they are employed; amending Minnesota Statutes 1984, section 259.11; and Minnesota Statutes 1985 Supplement, section 485.01.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Marsh	Peterson	Skoglund
Backlund	Frederick	McDonald	Piepho	Solberg
Battaglia	Frederickson	McEachern	Piper	Sparby
Bear	Frerichs	McKasy	Poppenhagen	Stanius
Becklin	Greenfield	McLaughlin	Price	Staten
Begich	Gruenes	Metzen	Quinn	Sviggum
Bennett	Gutknecht	Miller	Quist	Thiede
Blatz	Halberg	Minne	Redalen	Thorson
Boerboom	Hartinger	Munger	Res	Tjornhom
Boo	Hartle	Murphy	Rest	Tompkins
Brandl	Heap	Nelson, D.	Rice	Uphus
Brinkman	Himle	Nelson, K.	Richter	Valan
Brown	Jacobs	Neuenschwander	Rodosovich	Valento
Burger	Jennings, L.	Norton	Rose	Vanasek
Carlson, J.	Johnson	O'Connor	Sarna	Vellenga
Carlson, L.	Kiffmeyer	Ogren	Schafer	Voss
Clausnitzer	Knickerbocker	Olsen, S.	Scheid	Waltman
Dempsey	Knuth	Olson, E.	Schoenfeld	Welle
DenOuden	Kostohryz	Onnen	Schreiber	Wenzel
Dimler	Krueger	Osthoff	Seaberg	Wynia
Dyke	Kvam	Otis	Segal	Spk. Jennings, D.
Elioff	Levi	Ozment	Shaver	
Erickson	Lieder	Pappas	Sherman	
Fjoslien	Long	Pauly	Simoneau	

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

H. F. No. 1807, A bill for an act relating to local government; providing for the coordination of various development authorities in the city of Moorhead and Clay county.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Long	Ozment	Segal
Backlund	Frederick	Marsh	Pauly	Shaver
Battaglia	Frederickson	McDonald	Peterson	Sherman
Beard	Frerichs	McEachern	Piepho	Simoneau
Becklin	Greenfield	McKasy	Piper	Skoglund
Begich	Gruenes	McLaughlin	Poppenhagen	Solberg
Bennett	Halberg	Metzen	Price	Sparby
Blatz	Hartinger	Miller	Quist	Stanius
Boerboom	Hartle	Minne	Redalen	Staten
Boo	Haukoos	Munger	Rees	Sviggum
Brandl	Heap	Murphy	Rest	Thorson
Brinkman	Himle	Nelson, D.	Rice	Tjornhom
Burger	Jacobs	Nelson, K.	Richter	Tompkins
Carlson, J.	Johnson	Neuenschwander	Riveness	Valento
Carlson, L.	Kahn	Norton	Rodosovich	Vanasek
Clausnitzer	Kiffmeyer	O'Connor	Rose	Vellenga
Dempsey	Knickerbocker	Ogren	Sarna	Voss
DenOuden	Kostohryz	Olsen, S.	Schafer	Waltman
Dimler	Krueger	Olson, E.	Scheid	Welle
Dyke	Kvam	Onnen	Schoenfeld	Wenzel
Elioff	Levi	Osthoff	Schreiber	Wynia
Fjoslien	Lieder	Otis	Seaberg	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 1926, A bill for an act relating to state investments; establishing various accounts within the supplemental investment fund; providing for the administration of the accounts and for the investment and valuation of shares within each account; amending Minnesota Statutes 1984, sections 11A.17, subdivisions 1, 4, 9, and by adding a subdivision; 69.77, subdivision 2; 69.775; 352.96, subdivision 4; 352D.04, subdivision 1; Minnesota Statutes 1985 Supplement, section 11A.17, subdivision 13; and Laws 1969, chapter 950, section 3, as amended.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 114 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brinkman	Erickson	Heap	Kvam
Backlund	Brown	Fjoslien	Himle	Levi
Battaglia	Burger	Forsythe	Jacobs	Lieder
Beard	Carlson, L.	Frederick	Jennings, L.	Long
Becklin	Clark	Frederickson	Johnson	Marsh
Begich	Clausnitzer	Frerichs	Kahn	McDonald
Bennett	Dempsey	Gruenes	Kiffmeyer	McEachern
Blatz	DenOuden	Gutknecht	Knickerbocker	McKasy
Boerboom	Dimler	Halberg	Knuth	McLaughlin
Boo	Dyke	Hartle	Kostohryz	Metzen
Brandl	Elioff	Haukoos	Krueger	Miller

Minne	Osthoff	Rees	Seaberg	Thorson
Munger	Otis	Rest	Segal	Tjornhom
Murphy	Ozment	Rice	Shaver	Tompkins
Nelson, D.	Pappas	Richter	Sherman	Valan
Nelson, K.	Pauly	Riveness	Simoneau	Valento
Neuenschwander	Peterson	Rodosovich	Skoglund	Vanasek
Norton	Piper	Rose	Solberg	Vellenga
O'Connor	Poppenhagen	Sarna	Sparby	Voss
Ogren	Price	Schafer	Stanius	Welle
Olsen, S.	Quinn	Scheid	Staten	Wenzel
Omman	Quist	Schoenfeld	Sviggum	Spk. Jennings, D.
Onnen	Redalen	Schreiber	Thiede	

The bill was passed and its title agreed to.

H. F. No. 1928, A bill for an act relating to education; placing the state council on vocational education director in the unclassified service; amending Minnesota Statutes 1985 Supplement, section 136C.50, subdivision 7.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fjoslien	Levi	Ozment	Segal
Backlund	Forsythe	Lieder	Pappas	Shaver
Battaglia	Frederick	Long	Pauly	Sherman
Beard	Frederickson	Marsh	Peterson	Simoneau
Becklin	Frerichs	McDonald	Piepho	Skoglund
Begich	Greenfield	McKasy	Piper	Solberg
Bennett	Gruenes	McLaughlin	Poppenhagen	Sparby
Bishop	Gutknecht	Metzen	Price	Stanius
Blatz	Halberg	Miller	Quinn	Staten
Boerboom	Hartinger	Minne	Quist	Sviggum
Boo	Hartle	Munger	Redalen	Thiede
Brandl	Haukoos	Murphy	Rees	Thorson
Brinkman	Heap	Nelson, D.	Rest	Tjornhom
Brown	Himle	Nelson, K.	Rice	Tompkins
Burger	Jacobs	Neuenschwander	Richter	Valan
Carlson, L.	Jennings, L.	Norton	Riveness	Valento
Clark	Johnson	O'Connor	Rodosovich	Vanasek
Clausnitzer	Kahn	Ogren	Rose	Vellenga
Dempsey	Kiffmeyer	Olsen, S.	Sarna	Voss
DenOuden	Knickerbocker	Olson, E.	Schafer	Waltman
Dimler	Knuth	Omman	Scheid	Welle
Dyke	Kostohryz	Onnen	Schoenfeld	Wenzel
Elioff	Krueger	Osthoff	Schreiber	Spk. Jennings, D.
Erickson	Kvam	Otis	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1991 was reported to the House.

Skoglund moved to amend H. F. No. 1991, the first engrossment, as follows:

Page 4, after line 12, insert:

“Sec. 7. [473.124]

The chair of each metropolitan governmental unit may be removed at the pleasure of the appointing authority.”

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 36 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Brandl	Kahn	Nelson, K.	Price	Solberg
Carlson, L.	Knuth	Neuenschwander	Rest	Staten
Clark	Kostohryz	Norton	Rice	Tjornhom
Forsythe	Long	Osthoff	Riveness	Vanasek
Greenfield	McLaughlin	Otis	Rodosovich	Vellenga
Gutknecht	Munger	Pappas	Scheid	Voss
Hartinger	Nelson, D.	Peterson	Skoglund	Wynia
Jennings, L.				

Those who voted in the negative were:

Backlund	Dyke	Kiffmeyer	Onnen	Sparby
Battaglia	Elioff	Krueger	Ozment	Stanius
Beard	Erickson	Kvam	Piepho	Sviggum
Becklin	Fjoslien	Levi	Piper	Thiede
Begich	Frederick	Lieder	Poppenhagen	Thorson
Bennett	Frederickson	Marsh	Quinn	Tompkins
Blatz	Frerichs	McDonald	Quist	Uphus
Boerboom	Gruenes	McEachern	Redalen	Valan
Brinkman	Halberg	McKasy	Rees	Valento
Brown	Hartle	Metzen	Richter	Waltman
Burger	Haukoos	Miller	Sarna	Welle
Clausnitzer	Heap	Minne	Schreiber	Wenzel
Dempsey	Himle	Murphy	Seaberg	Zaffke
DenOuden	Jacobs	O'Connor	Shaver	Spk. Jennings, D.
Dimler	Johnson	Omann	Sherman	

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

H. F. No. 1991, A bill for an act relating to metropolitan government; providing for appointments, administration, reports, and duties of metropolitan agencies; amending Minnesota Statutes 1984, sections 473.121, subdivision 6, and by adding subdivisions; 473.123, subdivisions 2a, 3, and 3a; 473.141, subdivisions 2, 3, and 4a; 473.146, subdivisions 1, 2, and 3; 473.161; 473.163, subdivisions 1 and 2; and 473.303, subdivisions 2 and 4a; Minnesota Statutes 1985 Supplement, section 473.38, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1984, sections 473.121, subdivision 7; 473.163, subdivisions 3 and 4; 473.373, subdivision 3; 473.377; and 473.38, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fjoslien	Lieder	Pappas	Sherman
Backlund	Fersythe	Long	Pauly	Simoneau
Battaglia	Frederick	Marsh	Peterson	Skoglund
Beard	Frederickson	McDonald	Picpho	Solberg
Becklin	Frerichs	McEachern	Piper	Sparby
Begich	Greenfield	McKasy	Poppenhagen	Stanius
Bennett	Gruenes	McLaughlin	Price	Staten
Bishop	Cutknecht	Metzen	Quinn	Sviggum
Blatz	Halberg	Miller	Quist	Thiede
Boerboom	Hartinger	Minne	Redalen	Thorson
Boo	Hartle	Munger	Rees	Tjornhom
Brandl	Haukoos	Murphy	Rest	Tompkins
Brinkman	Heap	Nelson, D.	Rice	Uphus
Brown	Himle	Nelson, K.	Richter	Valan
Burger	Jacobs	Neuenschwander	Riveness	Valento
Carlson, J.	Jennings, J..	Norton	Rodosovich	Vanasek
Carlson, L.	Johnson	O'Connor	Rose	Vellenga
Clark	Kahn	Ogren	Sarna	Voss
Clausnitzer	Kiffmeyer	Olsen, S.	Schafer	Waltman
Dempsey	Knickerbocker	Olson, E.	Scheid	Wenzel
DenOuden	Knuth	Omann	Schoenfeld	Wynia
Dimler	Kostohryz	Onnen	Schreiber	Zaffke
Dyke	Krueger	Osthoff	Seaberg	Spk. Jennings, D.
Elioff	Kvam	Otis	Segal	
Erickson	Levi	Ozment	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2014, A bill for an act relating to elections; making changes in registration, caucuses, ballots, affidavits of candidacy and withdrawal, nominations, election certificates, and election judge qualifications; amending Minnesota Statutes 1984, sections 201.018, subdivision 2; 201.12, subdivision 2; 201.15, subdivision 1; 202A.11, subdivision 2; 202A.16, subdivision 1; 204B.03; 204B.06, subdivision 1; 204B.07, subdivision 4; 204B.09, subdivision 1; 204B.10, by adding a subdivision; 204B.12, subdivision 3; 204B.35, subdivision 2; 204C.40, subdivision 1; 204D.11, subdivisions 3, 5, and 6; 206.71, by adding a subdivision; and 208.03.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Battaglia	Becklin	Bennett	Blatz
Backlund	Beard	Begich	Bishop	Boerboom

Boo	Gutknecht	McEachern	Pauly	Sherman
Brandl	Halberg	McKasy	Peterson	Skoglund
Brinkman	Hartinger	McLaughlin	Piepho	Solberg
Brown	Hartle	Metzen	Piper	Sparby
Burger	Haukoos	Miller	Poppenhagen	Sianius
Carlson, L.	Heap	Minne	Price	Staten
Clark	Himle	Munger	Quinn	Swiggum
Clausnitzer	Jacobs	Murphy	Quist	Thiede
Dempsey	Jennings, L.	Nelson, D.	Redalen	Thorson
DenOuden	Johnson	Nelson, K.	Rees	Tjornhom
Dimler	Kahn	Neuenschwander	Rest	Tompkins
Dyke	Kiffmeyer	Norton	Rice	Uphus
Elioff	Knickerbocker	O'Connor	Riveness	Valan
Ellingson	Knuth	Ogren	Rodosovich	Valento
Erickson	Kostohryz	Olsen, S.	Rose	Vanasek
Fjoslien	Krueger	Olson, E.	Sarna	Vellenga
Forsythe	Kvam	Omann	Schafer	Voss
Frederick	Levi	Onnen	Scheid	Waltman
Frederickson	Lieder	Osthoff	Schoenfeld	Wenzel
Frerichs	Long	Otis	Seaberg	Wynia
Greenfield	Marsh	Ozment	Segal	Zaffke
Gruenes	McDonald	Pappas	Shaver	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 1635 was reported to the House.

Olsen, S., moved to amend H. F. No. 1635, as follows:

Page 1, line 18, after "that" insert: "*were made or agreed to on or after August 1, 1982 and before the effective date of this section and to covenants, conditions and restrictions that*"

The motion prevailed and the amendment was adopted.

The Speaker called Halberg to the Chair.

There being no objection H. F. No. 1635, as amended, was temporarily laid over on Special Orders.

H. F. No. 1730, A bill for an act relating to crime; correcting certain erroneous, omitted and obsolete references in and to the criminal sexual conduct statutes; amending Minnesota Statutes 1984, sections 253B.02, subdivision 4a; 260.015, subdivision 24; 494.03; 518B.01, subdivision 2; 609.11, subdivision 9; 609.341, subdivision 3; 609.347, subdivision 3; 609.348; 609.349; 609.35; 611A.03, subdivision 3; and 628.26; and Minnesota Statutes 1985 Supplement, sections 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2 and 3; 609.3471; 609.531, subdivision 1; 626.556, subdivision 2; and 631.045.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Lieder	Peterson	Skoglund
Backlund	Erickson	Long	Piepho	Solberg
Battaglia	Fjoslien	Marsh	Piper	Sparby
Beard	Forsythe	McDonald	Poppenhagen	Stanius
Becklin	Frederick	McEachern	Price	Staten
Begich	Frederickson	McKasy	Quinn	Sviggum
Bennett	Frerichs	Miller	Quist	Thiede
Blatz	Greenfield	Minne	Rees	Thorson
Boerboom	Gutknecht	Munger	Rest	Tjornhom
Boo	Hartinger	Murphy	Rice	Uphus
Brandl	Hartle	Nelson, D.	Richter	Valan
Brinkman	Haukoos	Nelson, K.	Riveness	Valento
Brown	Heap	Neuenschwander	Rodosovich	Vanasek
Burger	Himle	Norton	Rose	Vellenga
Carlson, J.	Jacobs	O'Connor	Sarna	Voss
Carlson, L.	Johnson	Ogren	Schafer	Waltman
Clark	Kahn	Olsen, S.	Scheid	Welle
Clausnitzer	Kelly	Olson, E.	Schoenfeld	Wenzel
Cohen	Kiffmeyer	Omann	Schreiber	Wynia
Dempsey	Knickerbocker	Onnen	Seaberg	Zaffke
DenOuden	Knuth	Osthoff	Segal	
Dimler	Kostohryz	Otis	Shaver	
Dyke	Krueger	Pappas	Sherman	
Elioff	Kvam	Pauly	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1850, A bill for an act relating to intoxicating liquor; authorizing the city of Rochester to issue an on-sale license to a concessionaire at the Mayo civic center.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Kvam	Ozment	Sherman
Backlund	Fjoslien	Lieder	Pappas	Simoneau
Battaglia	Forsythe	Long	Pauly	Skoglund
Beard	Frederick	Marsh	Peterson	Solberg
Becklin	Frederickson	McDonald	Piper	Sparby
Begich	Frerichs	McKasy	Poppenhagen	Stanius
Bennett	Greenfield	McLaughlin	Price	Sviggum
Bishop	Gruenes	Metzen	Quinn	Thiede
Boerboom	Gutknecht	Miller	Redalen	Tjornhom
Boo	Hartinger	Minne	Rees	Uphus
Brandl	Hartle	Munger	Rest	Valan
Brinkman	Haukoos	Murphy	Rice	Valento
Brown	Heap	Nelson, D.	Richter	Vanasek
Burger	Himle	Nelson, K.	Riveness	Vellenga
Carlson, J.	Jacobs	Neuenschwander	Rodosovich	Voss
Carlson, L.	Johnson	Norton	Rose	Waltman
Clark	Kahn	O'Connor	Sarna	Welle
Clausnitzer	Kelly	Ogren	Schafer	Wenzel
Cohen	Kiffmeyer	Olsen, S.	Scheid	Wynia
DenOuden	Knickerbocker	Olson, E.	Schoenfeld	Zaffke
Dimler	Knuth	Omann	Seaberg	
Dyke	Kostohryz	Osthoff	Segal	
Elioff	Krueger	Otis	Shaver	

Those who voted in the negative were:

McEachern

The bill was passed and its title agreed to.

H. F. No. 1886 was reported to the House.

Valento moved to amend H. F. No. 1886, the first engrossment, as follows:

Page 3, line 8, after "*include*" insert "*the following information:*

(1)"

Page 3, line 9, before the period insert ";

(2) *the right of the property owner to prepay the entire assessment and the person to whom prepayment must be made;*

(3) *whether partial prepayment of the assessment has been authorized by ordinance;*

(4) *the time within which prepayment may be made without the assessment of interest; and*

(5) *the rate of interest to be accrued if the assessment is not prepaid within the required time period"*

Page 4, after line 5, insert:

"If the adopted assessment differs from the proposed assessment as to any particular lot, piece, or parcel of land, the clerk must mail to the owner a notice stating the amount of the adopted assessment. Owners must also be notified by mail of any changes adopted by the council in interest rates or prepayment requirements from those contained in the notice of the proposed assessment."

Page 5, line 32, delete "*Section 1 is*" and insert "*Sections 1 and 2 are*"

Amend the title as follows:

Page 1, line 3, delete "proposed"

The motion prevailed and the amendment was adopted.

H. F. No. 1886, A bill for an act relating to local government; changing the notice requirements for special assessments; amending Minnesota Statutes 1984, section 429.061, subdivision 2; Minnesota Statutes 1985 Supplement, section 429.061, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Krueger	Pappas	Shaver
Backlund	Erickson	Kvam	Pauly	Sherman
Battaglia	Fjoslien	Levi	Peterson	Simoneau
Beard	Forsythe	Lieder	Piepho	Skoglund
Becklin	Frederick	Long	Piper	Soiberg
Begich	Frederickson	Marsh	Poppenhagen	Sparby
Bennett	Frerichs	McDonald	Price	Stanius
Bishop	Greenfield	McEachern	Quinn	Staten
Blatz	Gruenes	McKasy	Quist	Sviggum
Boerboom	Gutknecht	Metzen	Redalen	Thiede
Boo	Halberg	Minne	Rees	Thorson
Brandl	Hartinger	Munger	Rest	Tjornhom
Brinkman	Hartle	Murphy	Rice	Tompkins
Brown	Haukoos	Nelson, D.	Richter	Uphus
Burger	Heap	Nelson, K.	Riveness	Valan
Carlson, L.	Himle	Neuenschwander	Rodosovich	Valento
Clark	Jacobs	Norton	Rose	Vanasek
Clausnitzer	Johnson	O'Connor	Sarna	Vellenga
Cohen	Kahn	Ogren	Schafer	Voss
Dempsey	Kelly	Olson, S.	Scheid	Waltman
DenOuden	Kiffmeyer	Olson, E.	Schoenfeld	Welle
Dimler	Knickerbocker	Omann	Schreiber	Wenzel
Dyke	Knuth	Osthoff	Seaberg	Wynia
Elioff	Kostohryz	Otis	Segal	Zaffke

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

H. F. No. 1940 was reported to the House.

There being no objection H. F. No. 1940 was temporarily laid over on Special Orders.

H. F. No. 1969, A bill for an act relating to mediation; providing for mediation between debtors and creditors; authorizing mediator training grants to nonprofit regional alternative dispute resolution centers; amending Minnesota Statutes 1984, sections 480.24, by adding a subdivision; and 480.242, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 572.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Levi	Peterson	Simoneau
Backlund	Fjoslien	Lieder	Piepho	Skoglund
Battaglia	Forsythe	Long	Piper	Solberg
Beard	Frederick	Marsh	Poppenhagen	Sparby
Becklin	Frederickson	McDonald	Price	Stanius
Begich	Frerichs	McEachern	Quinn	Staten
Bennett	Greenfield	McKasy	Quist	Sviggum
Blatz	Gruenes	Metzen	Redalen	Thorson
Boerboom	Gutknecht	Minne	Rees	Tjornhom
Boo	Hartinger	Munger	Rest	Tompkins
Brandt	Hartle	Murphy	Rice	Uphus
Brinkman	Haukoos	Neison, D.	Richter	Valan
Brown	Heap	Nelson, K.	Riveness	Valento
Burger	Himle	Neuenschwander	Rodosovich	Vanasek
Carlson, L.	Jacobs	Norton	Rose	Vellenga
Clark	Johnson	O'Connor	Sarna	Voss
Clausnitzer	Kahn	Ogren	Schafer	Waltman
Cohen	Kelly	Olsen, S.	Scheid	Welle
Dempsey	Kiffmeyer	Olson, E.	Schoenfeld	Wenzel
DenOuden	Knickerbocker	Omann	Schreiber	Wynia
Dimler	Knuth	Osthoff	Seaberg	Zaffke
Dyke	Kostohryz	Otis	Segal	
Elioff	Krueger	Pappas	Shaver	
Ellingson	Kvam	Pauly	Sherman	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

Levi moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Clausnitzer moved that his name be stricken and the name of Ozment be added as chief author on H. F. No. 1765. The motion prevailed.

Wenzel moved that his name be stricken as an author on H. F. No. 1766. The motion prevailed.

Richter moved that the name of Sparby be added as an author on H. F. No. 1770. The motion prevailed.

Swiggum moved that the names of Dyke, Poppenhagen, Waltman and Heap be added as authors on H. F. No. 1873. The motion prevailed.

Gruenes moved that the name of Onnen be added as chief author and the name of Gruenes be shown as second author and the name of Stanius be added as an author on H. F. No. 1932. The motion prevailed.

Fjoslien moved that the name of Bennett be stricken and the name of Olsen, S., be added as an author on H. F. No. 2097. The motion prevailed.

Stanis moved that the name of Frederick be added as chief author and the name of Stanis be shown as second author on H. F. No. 2229. The motion prevailed.

Blatz moved that the names of McKasy; Olsen, S.; Osthoff and Skoglund be added as authors on H. F. No. 2244. The motion prevailed.

Rest moved that the name of Marsh be added as an author on H. F. No. 2339. The motion prevailed.

Fjoslien moved that the names of Kostohryz, Scheid, Osthoff and Dimler be added as authors on H. F. No. 2394. The motion prevailed.

Wenzel moved that the name of Omann be added as an author on H. F. No. 2401. The motion prevailed.

Waltman introduced:

House Resolution No. 41, A house resolution congratulating the football team from Zumbrota High School for winning Runnerup in the 1985 Class C State High School Football Championship.

The resolution was referred to the Committee on Education.

Uphus moved that H. F. No. 2459 be returned to its author. The motion prevailed.

Otis moved to amend the Permanent Rules of the House as follows:

Add a new rule to read:

"Rule 6.13. Public Testimony.

Public testimony shall be allowed on every bill, or other matter, before a committee, subcommittee or division of the House."

A roll call was requested and properly seconded.

Levi moved that the Otis amendment to the Permanent Rules of the House be re-referred to the Committee on Rules and Legislative Administration.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Levi and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Fjoslien	Lieder	Piepho	Skoglund
Backlund	Forsythe	Long	Piper	Solberg
Battaglia	Frederick	McDonald	Poppenhagen	Sparby
Beard	Frederickson	McEachern	Price	Stanius
Becklin	Frerichs	McKasy	Quinn	Staten
Begich	Greenfield	McLaughlin	Quist	Sviggum
Bennett	Gruenes	Metzen	Redalen	Thicde
Bishop	Gutknecht	Minne	Rees	Thorson
Blatz	Halberg	Murphy	Rest	Tjornhom
Boo	Hartinger	Nelson, D.	Rice	Tompkins
Brandl	Hartle	Nelson, K.	Richter	Uphus
Brinkman	Haukoos	Neuenschwander	Riveness	Valan
Brown	Heap	Norton	Rodosovich	Valento
Burger	Himle	O'Connor	Rose	Vanasek
Carlson, J.	Jacobs	Ogren	Sarna	Voss
Carlson, L.	Johnson	Olsen, S.	Schafer	Waltman
Clark	Kahn	Olson, E.	Scheid	Welle
Clausnitzer	Kelly	Omman	Schoenfeld	Wenzel
Cohen	Kiffmeyer	Onnen	Schreiber	Wynia
Dempsey	Knuth	Osthoff	Seaberg	Zaffke
Dimler	Kostohryz	Otis	Segal	Spk. Jennings, D.
Dyke	Krueger	Pappas	Shaver	
Elioff	Kvam	Pauly	Sherman	
Ellingson	Levi	Peterson	Simoneau	

Levi moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Levi motion and the roll was called.

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

There were 65 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bishop	Burger	DenOuden	Fjoslien
Backlund	Blatz	Carlson, J.	Dimler	Forsythe
Becklin	Boerboom	Clausnitzer	Dyke	Frederick
Bennett	Boo	Dempsey	Erickson	Frederickson

Frerichs	Johnson	Onnen	Rose	Thorsen
Gruenes	Kiffmeyer	Ozment	Schafer	Tjornhom
Gutknecht	Kvam	Pauly	Schreiber	Tompkins
Halberg	Levi	Piepho	Seaberg	Uphus
Hartinger	Marsh	Poppenhagen	Shaver	Valan
Hartle	McDonald	Quist	Sherman	Valento
Haukoos	McKasy	Redalen	Stanius	Waltman
Hcap	Olsen, S.	Rees	Sviggum	Zaffke
Himle	Omann	Richter	Thiede	Spk. Jennings, D.

Those who voted in the negative were:

Anderson, G.	Greenfield	Munger	Piper	Skoglund
Battaglia	Kahn	Murphy	Price	Solberg
Beard	Kelly	Nelson, D.	Quinn	Sparby
Begich	Knuth	Neuenschwander	Rest	Staten
Brandl	Kestohryz	Norton	Rice	Tomlinson
Brinkman	Krueger	O'Connor	Riveness	Vanasek
Brown	Lieder	Ogren	Rodosovich	Vellenga
Carlson, L.	Long	Olson, E.	Sarna	Voss
Clark	McEachern	Osthoff	Scheid	Welle
Cohen	McLaughlin	Otis	Schoenfeld	Wenzel
Elioff	Metzen	Pappas	Segal	Wynia
Ellingson	Minne	Peterson	Simoneau	

The motion prevailed and the Otis amendment to the Permanent Rules of the House was referred to the Committee on Rules and Legislative Administration.

Vanasek moved that H. F. No. 2178 be recalled from the Committee on Crime and Family Law and be re-referred to the Committee on Judiciary. The motion prevailed.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, March 3, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, March 3, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SEVENTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 3, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Howard C. Gravrock, House Chaplain.

The roll was called and the following members were present:

Anderson, G.	Ellingson	Krueger	Ozment	Simoneau
Anderson, R.	Erickson	Kvam	Pappas	Skoglund
Backlund	Fjoslien	Lieder	Pauly	Solberg
Battaglia	Forsythe	Long	Peterson	Sparby
Beard	Frederick	Marsh	Piepho	Stanius
Becklin	Frederickson	McDonald	Piper	Staten
Begich	Frerichs	McEachern	Poppenhagen	Sviggum
Bennett	Greenfield	McKasy	Price	Thiede
Bishop	Gruenes	McLaughlin	Quinn	Thorson
Blatz	Gutknecht	McPherson	Quist	Tjornhom
Boerboom	Halberg	Metzen	Redalen	Tomlinson
Boo	Hartinger	Miller	Rees	Tompkins
Brandl	Hartle	Minne	Rest	Tunheim
Brinkman	Haukoos	Munger	Rice	Uphus
Brown	Heap	Murphy	Richter	Valan
Burger	Himle	Nelson, D.	Riveness	Valento
Carlson, D.	Jacobs	Nelson, K.	Rodosovich	Vanasek
Carlson, J.	Jaros	Neuenschwander	Rose	Vellenga
Carlson, L.	Jennings, L.	Norton	Sarna	Voss
Clark	Johnson	O'Connor	Schafer	Waltman
Clausnitzer	Kahn	Ogren	Scheid	Welle
Cohen	Kalis	Olsen, S.	Schoenfeld	Wenzel
Dempsy	Kelly	Olson, E.	Schreiber	Wynia
DenOuden	Kiffmeyer	Omann	Seaberg	Zafike
Dimler	Knickerbocker	Onnen	Segal	Spk. Jennings, D.
Dyke	Knuth	Osthoff	Shaver	
Elioff	Kostohryz	Otis	Sherman	

A quorum was present.

Levi was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1887, 1890, 1917, 2197, 2265, 1846, 1869, 1919, 2198, 2263, 2339, 804, 1776, 1958, 2141, 2267, 1635, 1886, 1776 and 1919 and S. F. No. 1612 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 651, A bill for an act relating to health; authorizing inclusion of physical fitness therapies in grant programs for the mentally ill; amending Minnesota Statutes 1984, sections 245.73, by adding a subdivision; and 256E.12, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 13, delete "including" and insert "related to"

Page 1, line 25, delete "including" and insert "relating to"

Page 2, after line 1, insert:

"Sec. 3. [MENTAL HEALTH SERVICES STUDY.]

The state planning agency shall study the need for a central point in state government to administer a system of mental health services. Alternatives to be studied shall include, but not be limited to:

(1) the creation of a mental health authority within the department of human services, under its commissioner;

(2) the creation of a mental health authority within the department of health, under its commissioner; and

(3) the creation by the legislature of a separate and independent department of mental health.

Results of the study and recommendations shall be reported to the legislature by December 15, 1986.

Sec. 4. [LICENSING FUNCTIONS STUDY.]

The state planning agency shall study methods of unifying licensing functions presently divided between the departments of health and human services, gaining consistency in licensing and regulating functions, and attempting to consolidate the num-

ber of rules promulgated by these departments. In addition, the study shall address methods to improve the quality assurance system, including standards, mechanisms to monitor, and enforcement authority. The study must address quality assurance as an activity conducted by the state to assess the status of quality in a service, to track that status over time, and to improve the correspondence between standards and performance. Results of the study and recommendations shall be made to the legislature by December 15, 1986."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing for study of the administration of mental health services;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 901, A bill for an act relating to elections in the city of Minneapolis; changing the time of election of certain board members; extending certain terms; amending Laws 1959, chapter 462, section 3, subdivision 1, as amended and renumbered.

Reported the same back with the following amendments:

Page 1, line 10, after "3," insert "and" and delete ", and 5"

Page 2, delete lines 4 to 10 and insert:

"The terms of the elected members of the library board of the city of Minneapolis whose terms would have been filled at a 1987 municipal election are extended to the first business day in January 1990. Those whose terms were filled during the 1985 municipal election are extended to the first business day in 1994. At the general municipal election in 1993 and every four years thereafter, the electors of the city of Minneapolis shall elect six members of the board, each for a term of four years."

Page 2, delete lines 11 to 33

Renumber the remaining section

Page 3, line 2, after the comma insert "and"

Page 3, line 3, after "Minneapolis" delete ", and the governing body of special"

Page 3, line 4, delete "school district No. 1"

Amend the title as follows:

Page 1, line 4, delete "amending Laws 1959,"

Page 1, delete line 5

Page 1, line 6, delete everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1007, A bill for an act relating to retirement; Minnesota state retirement system unclassified plan; including certain state university administrators and faculty; directing a transfer of funds; amending Minnesota Statutes 1984, section 352D.02, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 352D.01, is amended to read:

352D.01 [ESTABLISHMENT.]

There is hereby established within the Minnesota state retirement system a retirement program for certain (UNCLASSIFIED) *public* employees (IN STATE SERVICE) to be known as the Minnesota unclassified employees retirement program, which shall be administered by the Minnesota state retirement system.

Sec. 2. Minnesota Statutes 1984, section 352D.015, subdivision 5, is amended to read:

Subd. 5. "Covered employment" means employment covered by (CHAPTER 352, OR) this chapter.

Sec. 3. Minnesota Statutes 1984, section 352D.02, as amended by Laws 1985, First Special Session chapter 10, section 88, is amended to read:

352D.02 [COVERAGE.]

Subdivision 1. [COVERAGE.] The following employees, if they are in the unclassified service of the state and are eligible

for coverage under the (MINNESOTA) state *employees* retirement (SYSTEM) *fund*, shall participate in the unclassified program unless an employee gives notice to the executive director of the state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the regular employee plan. For the purposes of this chapter, an employee who does not file notice with the executive director shall be deemed to have exercised the option to participate in the unclassified plan.

(1) any employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general or the state board of investment,

(2) the head of any department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or any employee enumerated in section 15A.081, subdivision 1 or 15A.083, subdivision 4,

(3) any permanent, full-time unclassified employee of the legislature or any commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system,

(4) any person employed in a position established pursuant to section 43A.08, subdivision 1, clause (c), or subdivision 1a or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level,

(5) the chair, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission; the chair, executive director, and not to exceed three positions at the division director or assistant to the chair level of the regional transit board; a chief administrator who is an employee of the metropolitan transit commission; and the chair, executive director, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system,

(6) the executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board; provided that upon initial designation of all positions provided for in this clause, no further designa-

tions or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system,

(7) the clerk of the appellate courts appointed pursuant to Article VI, Section 2, of the Constitution of the state of Minnesota,

(8) the chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of human services,

(9) any employee whose principal employment is at the state ceremonial house,

(10) employees of the Minnesota educational computing corporation, and

(11) any employee of the world trade center board.

Subd. 1a. The following employees if they are eligible for coverage under the state employees retirement fund, or the teachers retirement association, or would have been eligible for coverage under those funds but for this subdivision, shall participate in the plan, subject to the provisions of subdivision 5 and section 8, and have Social Security coverage under the agreement between the state and the secretary of health and human services: the chancellor, university presidents, and unclassified managerial employees in the state university system employed at the level of dean or higher.

Subd. 1b. Any person who on the day before June 30, 1982 is a participant in the state unclassified employees retirement program, whose position is placed in the classified service pursuant to Laws 1982, Chapter 560, may elect to maintain membership in the unclassified program as long as the person holds the position or a position in a higher class in the same agency. When an unclassified position which entitles a person to participate in the unclassified retirement program is placed in the classified service, the commissioner of employee relations shall send written notice to the incumbent of the position, and to the director of the Minnesota state retirement system. This notice shall state the incumbent's option under this subdivision. A person eligible to maintain membership in the unclassified plan shall notify the executive director of the state retirement system of the person's election to maintain membership in the unclassified plan within 60 days of the date on which the commissioner sends the notice stating that the position has been placed in the classified service. A person who does not file this notice shall be deemed to have waived the right to remain in the unclassified plan.

Subd. (1B) 1c. An employee covered by the regular plan who is subsequently employed as a permanent, full-time unclassified

employee of the legislature or any commission or agency of the legislature may elect to transfer accumulated employee and matching employer contributions, as provided in section 352D.03.

Subd. 2. A person becoming a participant in the unclassified program by virtue of employment in a position specified in subdivision 1, clause (2) and remaining in the unclassified service shall remain a participant in the program even though the position the person occupies is deleted from any of the sections referenced in subdivision 1, clause (2) by subsequent amendment, except that a person shall not be eligible to elect the unclassified program after separation from unclassified service if on the return of the person to service, that position is not specified in subdivision 1, clause (2). Any person employed in a position specified in subdivision 1 shall cease to participate in the unclassified program in the event his position is placed in the classified service.

Subd. 3. An election to not participate is irrevocable during any period of covered employment. An employee with employee shares to his credit in the unclassified program, after acquiring credit for ten years of allowable service but prior to termination of covered employment, may, notwithstanding other provisions of this subdivision, elect to terminate his participation in the unclassified plan and be covered by the regular plan by filing such election with the executive director. The executive director shall thereupon redeem the employee's total shares and shall credit to the employee's account in the regular plan the amount of contributions that would have been so credited had the employee been covered by the regular plan during his entire covered employment. The balance of moneys so redeemed and not credited to the employee's account shall be transferred to the state contribution reserve of the state employees retirement fund, except that the employee contribution paid to the unclassified plan in excess of that required by the general employee plan shall be refunded to the employee as provided in section 352.22.

Subd. 4. When any person elects participation in the unclassified program all contributions from the time first eligible to make such an election shall be covered by the program.

Subd. 5. An employee in a position with retirement coverage under the basic program in the teachers retirement association is not entitled to participate in the plan unless the employee leaves the position and begins employment more than 30 days later in a position with retirement coverage under the plan.

Sec. 4. Minnesota Statutes 1984, section 352D.06, subdivision 1, is amended to read:

Subdivision 1. When a participant attains at least age 58, is retired from covered service, and applies for a retirement an-

nunity, the cash value of his shares shall be transferred to the Minnesota post-retirement investment fund and used to provide an annuity for the retired employee based upon his age when the benefit begins to accrue according to the reserve basis used by the (REGULAR) *state employees retirement* fund in determining pensions and reserves.

Sec. 5. Minnesota Statutes 1984, section 352D.065, subdivision 5, is amended to read:

Subd. 5. (AN UNCLASSIFIED EMPLOYEE) *A participant* who returns to covered service after receiving benefits under this section shall not be required or allowed to repay such benefits.

Sec. 6. Minnesota Statutes 1984, section 352D.085, subdivision 1, is amended to read:

Subdivision 1. Service under the unclassified program for which the employee has employee shares to his credit, may be used for the limited purpose of qualifying for benefits under sections 352.115, 352.72, subdivision 1, (AND) 352.113, 354.44, 354.45, 354.48, and 354.60: provided such service may not be used to qualify for a disability benefit under section 352.113, or 354.48 if a participant was under the unclassified program at the time of the disability, and provided further that the years of service and salary paid while (SUCH) *the* participant was in the unclassified program shall not be used in determining the amount of benefits.

Sec. 7. Minnesota Statutes 1984, section 354.05, subdivision 2, is amended to read:

Subd. 2. [TEACHER.] "Teacher" includes any person who renders service as a teacher, supervisor, principal, superintendent, or librarian in the public schools of the state located outside of the corporate limits of the cities of the first class as those cities were so classified on January 1, 1979, or in the state universities, or in any charitable or state institution including penal and corrective institutions supported, in whole or in part, by public funds, or who is engaged in educational administration in connection with the state public school system, including the state university system and state community college system, but excluding the University of Minnesota, whether the position be a public office or an employment, not including members of any general governing or managing board or body connected with the systems, or the officers of common, independent, special, or associated school districts, or unorganized territory. The term shall also include an employee of the teachers retirement association unless the employee is covered by the Minnesota state retirement system by virtue of prior employment by the association, and any nurse, counselor, social worker, therapist or psychologist who renders service in the public schools as defined above or in state universities. The term shall also include any person who renders

teaching service on a part time basis and who also renders other services for a school district. In such cases, the teachers retirement association shall have the authority to determine whether all or none of the combined employment shall be covered by the teachers retirement association. *The term does not include an employee described in section 352D.02, subdivision 1a, clause (1), who is hired after the effective date of this act.* The term does not mean any person who works for a school or institution as an independent contractor. The term shall not include any person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and 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 fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive 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 training and employment act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contribution in addition to the required employee contribution. The term shall not include any person holding a part time adult supplementary vocational-technical school license who renders part time teaching service in a vocational-technical school if (1) the service is incidental to the regular nonteaching occupation of the person; and (2) the applicable vocational-technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year. The term also shall not include a person exempt from licensure pursuant to section 125.031 or any person who was excluded from membership prior to January 1, 1981 pursuant to Laws 1978, chapter 556, section 1 and Laws 1980, chapter 342, section 8, if the person annually certifies on a form prescribed by the executive director that the person has established and is contributing to an individual retirement account which is based on nonteaching employment.

Sec. 8. [ELECTION OF COVERAGE; TRANSITION.]

A current employee or official enumerated in Minnesota Statutes, section 352D.02, subdivision 1a, as added by section 3, may elect prospective coverage in the unclassified plan. The employee may elect to transfer prior service credit to the plan under the provisions of section 352D.12.

The executive director of the state retirement system, or teachers retirement association, as appropriate, shall notify current employees or officials of the option within six months following the effective date of this act. An employee or official eligible to elect coverage by the plan shall notify the appropriate director

within six months after the date of notice. An election to participate in the plan is irrevocable during any current or subsequent period of employment.

Sec. 9. [MINNEAPOLIS TEACHERS ARTICLES AMENDMENT.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the Minneapolis teachers retirement fund association to amend its articles of incorporation as follows:

(1) Article IX, Subsection (14)D of the articles, providing an annual automatic increase annuity of 1-1/2 percent may be repealed, and Article IX, Subsection (14) may be amended to authorize an annual postretirement adjustment payable from excess investment earnings of the fund calculated as follows:

(a) The board of trustees shall annually determine whether or not a postretirement adjustment is payable by determining whether or not the fund has earned any investment earnings in excess of eight percent.

(b) The calculation of investment earnings shall include specifically, but not by way of limitation, dividends on equity investments, interest on debt investments, net rental or leasehold income on real estate, all realized capital gains and losses, and the net increase or decrease in unrealized appreciation on all readily marketable securities.

(c) The determination of the amount of excess investment earnings shall be based upon the time-weighted average of the annualized total rate of return on the fund for the three fiscal years immediately preceding the determination.

(d) The board of trustees shall have discretion to limit the size of the postretirement adjustment in any year to any percentage not greater than seven percent.

(2) Article IX, Subsection (18), providing a lump sum postretirement adjustment payable to retirees or beneficiaries, may be amended as follows:

(a) The formula for determining the amount which each eligible annuitant or benefit recipient shall be entitled to receive shall take into account not only the years of service of the member upon whose service such entitlement is based, but also the years the annuitant or benefit recipient has been receiving payments from the fund.

(b) For each eligible annuitant and benefit recipient, the adjustment shall equal the adjustment figure according to the for-

mula, multiplied by the combination of years of service and years of receiving payments. The amendment may provide that the board of trustees shall have discretion to eliminate or reduce the adjustment in any year and to establish a minimum period during which a recipient must have been receiving an annuity or benefits in order to be eligible for an adjustment, which minimum period shall be at least three years but not more than fifteen years, as determined by the board of trustees based upon the records of the fund.

(c) In making the determination of whether or not the fund has earned any excess investment income from which to pay a lump sum postretirement adjustment, the calculation of investment income shall include dividends on equity investments, interest on debt investments, net rental or leasehold income on real estate, all realized capital gains and losses, and the net increase or decrease in unrealized appreciation on all readily marketable securities.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1986."

Delete the title and insert:

"A bill for an act relating to retirement; expanding the membership of the Minnesota state retirement system unclassified program to include certain state university system officials; authorizing amendments to the Minneapolis teachers retirement fund association articles; amending Minnesota Statutes 1984, sections 352D.01; 352D.015, subdivision 5; 352D.02, as amended; 352D.06, subdivision 1; 352D.065, subdivision 5; 352D.085, subdivision 1; and 354.05, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1599, A bill for an act relating to state monuments; authorizing development of a plan for a memorial to Native Americans; amending Minnesota Statutes 1984, section 138.585, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete line 9

Page 1, line 10, delete "state department to" and insert "The Minnesota historical society shall"

Page 1, line 18, after "located" insert "in a place of honor"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1677, A bill for an act relating to education; changing the way the department of education provides certain information and other services; appropriating money; amending Minnesota Statutes 1984, sections 123.742, subdivision 7, and by adding subdivisions; and 134.31, subdivisions 2 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 121.496, is amended to read:

121.496 [STATE DEPARTMENT OF EDUCATION (TO FURNISH LIST OF BOOKS) *LIBRARY AND INFORMATION SERVICES DUTIES.*]

Subdivision 1. [BOOKLISTS.] The state department of education shall from time to time prepare and amend a list of books suitable for school libraries, including dictionaries and other books of reference, histories and works of biography, literature, political economy, agriculture, travel, and science.

Subd. 2. [PROVIDING OTHER INFORMATION.] *The department may provide library information services it considers appropriate and necessary to any state agency, governmental unit, nonprofit organization, or private entity. The department may collect reasonable fees not to exceed its actual costs for providing the information services. The department may also accept money from any public or private source to defray the cost of providing the information services.*

Subd. 3. [OPEN APPROPRIATION.] *The fees charged and money accepted by the department under subdivision 2 shall be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the department to defray the costs of providing the information services.*

Sec. 2. Minnesota Statutes 1984, section 134.09, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] When public library service is established, except in any city of the first class operating under a home rule charter, the mayor of the city with the approval of the council for a city library or the board of commissioners for a county library, shall appoint a board of five, seven or nine members from among the residents of the city or county. *If the city library is a branch or a member of a regional public library system, as defined in section 134.001, the mayor, with the approval of the city council, may appoint to the city library board, residents of the county, provided that the county is participating in the regional public library system and that the majority of the members of the city library board are residents of the city.* The number of members on the board shall be determined by resolution or ordinance adopted by the council or the board of commissioners. Not more than one council member or county commissioner shall at any time be a member of the library board. The appointments shall be made before the first meeting of the library board after the end of the fiscal year.

Sec. 3. Minnesota Statutes 1984, section 134.31, subdivision 2, is amended to read:

Subd. 2. The department of education shall give advice and instruction to the managers of any public library or to any governing body maintaining a library or empowered to do so by law upon any matter pertaining to the organization, maintenance, or administration of libraries. The department may also give advice and instruction, as requested, to (THE MANAGERS OF ANY LIBRARY IN A) post-secondary educational (INSTITUTION) institutions, state agencies, governmental units, non-profit organizations, or private entities. It shall assist, to the extent possible, in the establishment and organization of library service in those areas where adequate services do not exist, and may aid in improving previously established library services.

Sec. 4. Minnesota Statutes 1984, section 134.31, subdivision 3, is amended to read:

Subd. 3. The department may provide, for any library in the state, books, journals, audiovisual items, (REFERENCE) information services or resource materials it deems appropriate and necessary and shall encourage the sharing of library resources and the development of interlibrary cooperation.

Sec. 5. Minnesota Statutes 1984, section 134.34, subdivision 5, is amended to read:

Subd. 5. [MAINTENANCE OF EFFORT; EXCEPTION.] Notwithstanding subdivision 4, a regional library system support grant may be made in fiscal year (1983) 1987 to a regional public library system for a participating city or county which decreases the dollar amount provided by it for operating purposes of public library service below the amount provided by it

for (1981) 1985 if the amount provided by the city or county in (1982) 1986 is not less than the amount provided by it in (1980) 1984. A regional library system support grant may be made in fiscal year (1984) 1988 to a regional public library system for a participating city or county which decreases the dollar amount provided by it for operating purposes of public library service below the amount provided by it for (1982) 1986, if the amount provided by the city or county in (1983) 1987 is not less than the amount provided by it in (1981) 1985. This subdivision shall not affect the eligibility of cities or counties to declare all or part of their library levies as special levies under the provisions of section 275.50, subdivision 5, clause (c).

Sec. 6. [PLAN FOR AUTOMATION OF STATE LIBRARIES.]

The commissioner of education shall develop a plan to address automation needs of state agency libraries. The plan shall include methods to:

(1) strengthen government information services available to agencies and the public;

(2) improve coordination and cooperation among state agency libraries; and

(3) eliminate unnecessary duplication.

Other state agencies and the legislative reference library shall cooperate with the commissioner in developing this plan. The state law library may also cooperate. By August 15, 1986, the plan shall be reported to the governor, education committees of the legislature, and senate finance and house appropriations committees."

Delete the title and insert:

"A bill for an act relating to libraries; changing the way the department of education provides certain information and other services; allowing mayors to appoint nonresidents to city library board under certain circumstances; updating maintenance of effort exceptions; requiring the commissioner of education to cooperatively develop a plan for automation of state agency libraries; amending Minnesota Statutes 1984, sections 121.496; 134.09, subdivision 1; 134.31, subdivisions 2 and 3; and 134.34, subdivision 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1744, A bill for an act relating to education; revising the definition of school; prohibiting rulemaking; amending Minnesota Statutes 1985 Supplement, section 120.10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 120.10, subdivision 2, is amended to read:

Subd. 2. [SCHOOL.] A school, to satisfy the requirements of compulsory attendance, must be one: (1) in which all the common branches are taught in the English language, from textbooks written in the English language, and (TAUGHT BY TEACHERS WHOSE QUALIFICATIONS ARE ESSENTIALLY EQUIVALENT TO THE MINIMUM STANDARDS FOR PUBLIC SCHOOL TEACHERS OF THE SAME GRADES OR SUBJECTS AND) (2) which is in session each school year for at least 175 days or their equivalent (; PROVIDED THAT). In a program of instruction for children of limited English proficiency, instruction and textbooks may be in the primary language of the children of limited English proficiency enrolled therein. Any other language may be taught as provided in section 126.07. As used in this subdivision, the terms “children of limited English proficiency” and “primary language” shall have the meanings ascribed to them in section 126.262. *A home school must provide the local superintendent, prior to the beginning of each school year, the names and ages of the students enrolled. If required by the local superintendent, the home school must administer a standardized achievement test during the last month of the school year and furnish the superintendent with the results. The home school may utilize the test recommended by the superintendent, or may use a different test if that test is listed in Bureau of Mental Measurements Yearbook or is recognized as the equivalent of such tests by national testing authorities. The superintendent shall provide the test and may have an observer present during testing.*

Sec. 2. [DEFINITION OF A SCHOOL TASK FORCE.]

By June 1, 1986, the commissioner of education shall appoint a task force of ten members to make recommendations about compulsory attendance laws. The task force shall consist of one member representing the state board of education, one licensed teacher representing the board of teaching, one representing the local school boards, one representing the commissioner of education, one representing the public school superintendents, one representing the nonpublic nonsectarian schools, two represent-

ing the nonpublic sectarian schools, and two representing the home schools.

The task force shall study and make recommendations about various issues related to the compulsory attendance law. Some of the issues to be considered are: student performance standards, data on student achievement in the various types of schools, the definition of a school, qualifications of teachers in schools, requirements for schools, reporting requirements, methods of enforcement, and penalties for noncompliance. The department of education shall provide staff assistance to the task force.

The state board may review and comment upon the recommendations of the task force.

The task force shall present the recommendations to the education committees of the legislature by February 1, 1987."

Delete the title and insert:

"A bill for an act relating to education; making changes to the definition of a school; establishing a task force to make recommendations about compulsory attendance laws; amending Minnesota Statutes 1984, section 120.10, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1749, A bill for an act relating to education; allowing transportation aid for certain secondary pupils attending a remote district school for academic reasons; amending Minnesota Statutes 1985 Supplement, section 124.223.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TRANSPORTATION LEVY; INDEPENDENT SCHOOL DISTRICT NO. 281.]

Each year independent school district No. 281, Robbinsdale, may make a levy for pupil transportation purposes under the provisions of this section. The levy shall be in addition to all other levies the district is permitted to make. The amount of the levy shall not exceed the actual cost of transportation to and from the public schools actually attended of resident secondary pupils who reside two miles or more from the public schools that

they could attend and from the public schools they actually attend, and whose choice of schools to attend is made for academic and not for extracurricular reasons. Transportation costs included in the amount of the levy shall not be included in the computation of any other levy or transportation aid. The levy shall be based upon estimates of actual transportation costs, and shall be adjusted when final cost data are available. The levy made in a particular calendar year shall be based upon estimated costs for the school year after the year in which the levy is certified, except that, in 1986, the levy may also include an additional amount for estimated costs for the 1986-1987 school year."

Delete the title and insert:

"A bill for an act relating to education; allowing independent school district No. 281, Robbinsdale, to make a levy for transportation of certain pupils."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1751, A bill for an act relating to public indebtedness; permitting the investment of debt service funds in face amount certificates; amending Minnesota Statutes 1985 Supplement, section 475.66, subdivision 3.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1984, section 136.31, subdivision 5, is amended to read:

Subd. 5. Whenever the board shall by resolution determine that there are moneys in the possession of its treasurer not currently needed, or which are set aside in any reserve, the board may in and by such resolution authorize and direct the treasurer to invest a specified amount thereof in treasury bonds or bills, certificates of indebtedness, bonds or notes of the United States of America, or in face amount certificates issued by a face amount certificate investment company registered under the Federal Investment Company Act of 1940 whose face amount certificates are registered under the Federal Securities Act of 1933. Securities so purchased shall be deposited with and held for the board by the board treasurer. Whenever funds so invested are needed by the board it shall direct its treasurer to sell the same or a designated amount thereof. All moneys collected there-

on by the board treasurer, as principal, interest, or proceeds of sales, shall be credited to and constitute a part of the fund and account for which the investment was made.”

Renumber subsequent section

Amend the title as follows:

Page 1, line 4, after “amending” insert “Minnesota Statutes 1984, section 136.31, subdivision 5; and”

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1755, A bill for an act relating to the city of Minneapolis; authorizing the city to construct and own certain facilities; authorizing the city to levy and collect certain taxes; authorizing the city to issue bonds and expend certain funds including taxes and tax increments to finance the acquisition and betterment of a convention center and related facilities.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [DEFINITIONS.]

For the purposes of this act, the following terms have the following meanings.

(a) *“City” means the city of Minneapolis, its city council, and any other board, authority, commission, or officer authorized by law, charter, or ordinance to exercise city powers of the nature referred to in this act.*

(b) *“Convention center” means any convention, auditorium, conference, or education center facility located at the site of the existing Minneapolis convention hall and auditorium, including all property, real or personal, tangible or intangible, located in the city, intended to be used as part of the center or additions to or extensions of it.*

(c) *“Related facilities” means all property, real or personal, tangible or intangible, that is determined by the city to facilitate the use of the convention center, including but not limited to property for parking, pedestrian needs, meetings facilities, skyways,*

lighting, landscaping, utilities, street facilities, and land acquired and prepared for private redevelopment in a manner related to use of the convention center.

(d) "Downtown taxing area" means the geographic area bounded by the portion of the Mississippi River between I-35W and Washington Avenue, the portion of Washington Avenue between the river and I-35W, the portion of I-35W between Washington Avenue and 8th Street South, the portion of 8th Street South between I-35W and Portland Avenue South, the portion of Portland Avenue South between 8th Street South and I-94, the portion of I-94 from the intersection of Portland Avenue South to the intersection of I-94 and the Burlington Northern Railroad tracks, the portion of the Burlington Northern Railroad tracks from I-94 to University Avenue N.E. and including Nicollet Island, and the portion of University Avenue N.E. and S.E. from the Burlington Northern Railroad tracks to I-35W, and by I-35W from University Avenue S.E., to the river.

Sec. 2. [GENERAL AUTHORIZATION.]

The city may acquire, design, construct, equip, improve, control, operate, and maintain the convention center and related facilities. The city shall have all powers necessary or convenient for those purposes and may enter into any contract for those purposes, including the financing of the convention center and any related facilities.

The city may contract for construction materials, supplies, and equipment in accordance with Minnesota Statutes, section 471.345, except that it may enter into contracts with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, and construction manager with respect to all or part of a project to build or remodel the convention center and related facilities. Contractors shall be selected through the process of public bidding, provided that it shall be permissible for the city to narrow the listing of eligible bidders to those which the city determines to possess sufficient expertise to perform the intended functions and the city may negotiate with the three lowest responsible bidders to achieve the lowest possible bid. The city may require any construction manager to certify a construction price and completion date to the city. The city may require the posting of a bond in an amount determined by the city to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the city or loss of revenues resulting from incomplete construction on the completion date and any other obligations the city may require the construction manager to bear. The city shall secure surety bonds as required in Minnesota Statutes, section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in Minnesota Statutes, sections 574.28 to 574.32, and shall not be entitled to a lien on any property of

the city under the provisions of Minnesota Statutes, sections 514.01 to 514.16.

Sec. 3. [BONDS.]

Upon approval by the city's board of estimate and taxation by a vote of at least five members, the city may by resolution authorize, sell, and issue bonds to finance all or a portion of the costs of acquisition or betterment of the convention center, any related facilities or replacement housing for housing removed from the site of the convention center or any related facilities or to refund the bonds issued pursuant to this act or other obligations issued by the city pursuant to Minnesota Statutes, section 273.77, to finance costs of the convention center or related facilities. The bonds may be general or limited obligations, or both. The bonds may be paid from or secured by any funds available to the city, including taxes levied under sections 4 and 5. Bonds may be issued in one or more series and sold without election at public or private sale and at the price or prices the city may determine. The bonds shall:

- (1) be secured;*
- (2) bear the interest rate or rates;*
- (3) have the rank or priority;*
- (4) be executed in the manner;*
- (5) be payable in the manner;*
- (6) mature; and*

(7) be subject to the defaults, redemptions, repurchases, tender options, or other terms, as the city may determine. The city may enter into and perform all contracts deemed necessary or desirable by it to issue the bonds and apply their proceeds, including an indenture of trust with a trustee within or without the state.

Costs of acquisition and betterment referred to in this act include:

- (a) costs of acquisition or betterment referred to in Minnesota Statutes, section 475.65;*
- (b) capitalized interest for a period not longer than 36 months;*
- (c) any underwriter discount and issuance expenses;*
- (d) reserves for debt service, repair, or operations; and*

(e) costs for credit enhancement of the bonds. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the city. Any levy of taxes required by Minnesota Statutes, section 475.61 to pay the 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 city. Maturities of the bonds shall not be subject to the limitations of Minnesota Statutes, section 475.54. Subject to this section, bonds authorized by this section shall be sold, issued, and secured in the manner provided in Minnesota Statutes, chapter 475.

Sec. 4. [SALES AND USE TAX.]

Subdivision 1. [IMPOSITION.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, upon approval by the city's board of estimate and taxation by a vote of at least five members, the city of Minneapolis may by ordinance impose an additional sales tax of up to one-half of one percent on sales taxable pursuant to Minnesota Statutes, chapter 297A that occur within the city, and may also by ordinance impose an additional compensating use tax of up to one-half of one percent on uses of property within the city, the sale of which would be subject to the additional sales tax but for the fact such property was sold outside the city.

Subd. 2. [ENFORCEMENT; COLLECTION.] These taxes shall be subject to the same interest penalties and other rules imposed under Minnesota Statutes, chapter 297A. The commissioner of revenue may enter into appropriate agreements with the city to provide for collection of these taxes by the state on behalf of the city. The commissioner may charge the city a reasonable fee for its collection from the proceeds of any taxes.

Subd. 3. [USE OF PROPERTY.] Revenues received from the tax may only be used:

- (1) to pay costs of collection;
- (2) to pay or secure the payment of any principal of, premium or interest on bonds issued in accordance with this act;
- (3) to pay costs to acquire, design, equip, construct, improve, maintain, operate, administer, or promote the convention center or related facilities, including financing costs related to them;
- (4) to pay reasonable and appropriate costs determined by the city to replace housing removed from the site; and
- (5) to maintain reserves for the foregoing purposes deemed reasonable and appropriate by the city. In the event of any

amendment to chapter 297A enacted subsequent to the effective date of this act which exempts sales or uses which were taxable under chapter 297A on the effective date of this act, the city may by ordinance extend the tax authorized hereby to any such sales or uses provided that the city council shall have determined that such extension is necessary to provide revenues for the uses to which taxes may be applied under this section. Any revenue bonds issued in accordance with this act may, with the consent of the city council, contain a covenant that the tax will be so extended to the extent necessary to pay principal and interest on the bonds when due.

Sec. 5. [LIQUOR, LODGING, AND RESTAURANT TAXES.]

The city may, by resolution, levy in addition to taxes authorized by other law:

(1) a sales tax of not more than three percent on the gross receipts on retail on-sales of intoxicating liquor and fermented malt beverages described in section 473.592 occurring in the downtown taxing area;

(2) a sales tax of not more than three percent on the gross receipts from the furnishing for consideration of lodging described in section 473.592 by a hotel or motel which has more than 50 rooms available for lodging; and

(3) a sales tax of not more than three percent on the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city that occur within the downtown taxing area.

These taxes shall be applied solely to pay costs of collection and to pay or secure the payment of any principal of, premium and interest on any bonds or any costs referred to in section 4, subdivision 3. The commissioner of revenue may enter into appropriate agreements with the city to provide for the collection of these taxes by the state on behalf of the city. The commissioner may charge the city a reasonable fee for its collection from the proceeds of any taxes. These taxes shall be subject to the same interest penalties and enforcement provisions as the taxes imposed under section 473.592.

Sec. 6. [POWERS GRANTED NOT LIMITED.]

Except as specifically provided in this act, the exercise of powers granted in this act shall not be limited by Minnesota Statutes, chapter 475, or any conflicting city charter provision.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day after compliance by the governing body of the city of Minneapolis with Minnesota Statutes, section 645.021, subdivision 3, but no tax permitted by sections 4 and 5 may become effective before January 1, 1987."

Amend the title as follows :

Page 1, line 6, delete "and tax increments"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred :

H. F. No. 1785, A bill for an act relating to Anoka county; providing that Anoka county park ordinances supersede local ordinances.

Reported the same back with the following amendments :

Page 1, line 14, after the period insert "*However, section 1 shall not apply to city owned park land.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred :

H. F. No. 1797, A bill for an act relating to courts; repealing the law that requires the supreme court to determine whether vacant judicial offices are necessary; repealing Minnesota Statutes 1985 Supplement, section 2.722.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

"Section 1. Minnesota Statutes 1985 Supplement, section 2.722, subdivision 4, is amended to read :

Subd. 4. [DETERMINATION OF A JUDICIAL VACANCY.] When a judge of the district, county, or county municipal court dies, resigns, retires, or is removed from office, the supreme court, in consultation with judges and attorneys in the affected district, shall determine within 90 days of receiving notice of a

vacancy from the governor whether the vacant office is necessary for effective judicial administration. The supreme court may continue the position, may order the position abolished, or may transfer the position to a judicial district where need for additional judges exists, designating the position as either a county, county/municipal or district court judgeship. The supreme court shall certify any vacancy to the governor, who shall fill it in the manner provided by law. *The supreme court shall not take any action pursuant to this subdivision until January 30, 1987.*

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows :

Page 1, line 2, delete "repealing" and insert "amending"

Page 1, line 4, delete "repealing" and insert "amending"

Page 1, line 5, after "2.722" insert ", subdivision 4"

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred :

H. F. No. 1821, A bill for an act relating to real property; requiring condominium plats after July 31, 1986; requiring certification by a registered land surveyor only, that condominium plat accurately depicts certain required information in 515A.2-110; amending Minnesota Statutes 1984, sections 515A.1-102; 515A.1-103; 515A.2-105; 515A.2-110; 515A.2-114; 515A.2-115; 515A.2-116; 515A.4-102; 515A.4-107; 515A.4-116; and 515A.4-117; and Minnesota Statutes 1985 Supplement, sections 389.09; 508.82; and 508A.82.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred :

H. F. No. 1896, A bill for an act relating to vital statistics; authorizing Minneapolis and Hennepin county to merge their

registration districts; amending Minnesota Statutes 1984, section 144.214, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 1908, A bill for an act relating to health; requiring planning for services for persons with brain impairment; establishing a statewide clearinghouse for caregiver information; reconvening the task force on needs for persons with brain impairment; amending Minnesota Statutes 1984, sections 145.912, by adding a subdivision; 145.92, subdivision 1; Minnesota Statutes 1985 Supplement, sections 256.01, subdivision 2; and 256E.03, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities

other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as are vested by law in the department.

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of

public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, regulations, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed two years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing

noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$400,000. When the balance in the account exceeds \$400,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) *Until July 1, 1988, prepare and distribute an annual resource directory on services to individuals with brain impairment in cooperation with the local county agencies.*

Sec. 2. [REQUIRED PLAN.]

Using the process and procedures required under section 256E.09 to prepare a biennial community social services plan, each county board shall prepare a plan for fiscal year 1987 that addresses the service needs of persons with impairment. "Services to persons with brain impairment" means those services designed to meet the care needs of persons who suffer traumatic injury to the brain, or degenerative brain disease that results in significant destruction of brain tissue with resultant loss of brain function, and who require extensive services over an extended period of time. The plan shall include at least the following items: methods used to identify persons in need of service and the social problems to be addressed by the community social service programs, a description of how the county will fulfill its responsibilities to persons with brain impairments including a description of each community social service and the responsible agency or person proposed to provide the service, an estimate of funds allocated to each of these services, and an inventory of public and private resources including volunteer associations available in the county. The plan must be submitted to the commissioner of human services as required under section 256E.09, subdivision 4, and the commissioner shall prepare a report to the legislature with information gathered from each of the plans.

Sec. 3. [TASK FORCE ON THE NEEDS OF PERSONS WITH BRAIN IMPAIRMENT.]

The commissioner of human services shall reconvene the task force to study the needs of persons with brain impairments that

was established under Laws 1985, chapter 226. The commissioner of health shall prepare a report to the task force that includes a description of planned services for persons with brain impairments that are included in the community health services plans and the results of a survey of actual services available in community health services areas to meet the needs of persons with brain impairments. The task force shall review the information provided by the commissioner of health and information gathered from community social services plans and monitor the implementation of recommendations made in its initial report to the legislature in January 1986 for the purpose of delivering a subsequent report with further recommendations to the legislature by January 15, 1987."

Delete the title and insert:

"A bill for an act relating to human services; requiring an annual resource directory on services to persons with brain impairment; requiring planning; reconvening the task force on needs for persons with brain impairment; amending Minnesota Statutes 1985 Supplement, section 256.01, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1911, A bill for an act relating to natural resources; authorizing watershed management organizations to establish taxing districts within minor watershed units of watersheds; amending Minnesota Statutes 1984, section 473.883, subdivisions 2, 3, 6, and 7; Minnesota Statutes 1985 Supplement, section 473.882, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1984, section 473.878, is amended by adding a subdivision to read:

Subd. 3a. [ADDITIONAL ORGANIZATIONS.] Any portion of the metropolitan area that is not in a watershed management organization by July 1, 1985, as required by subdivision 2, has until July 1, 1986, to form an organization. Notwithstanding the requirements of subdivision 3, a watershed management organization formed under this subdivision has until December 31, 1987, to prepare and submit a plan for review."

Page 4, after line 17, insert:

"Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 473.878, by adding a subdivision; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1914, A bill for an act relating to cemeteries; changing procedures for dealing with certain burial sites; increasing a penalty; amending Minnesota Statutes 1984, section 307.08.

Reported the same back with the following amendments:

Page 1, line 20, strike "or" and insert "and "

Page 2, line 20, after the period insert "*Only after obtaining written permission from the property owner or lessee,*"

Page 2, line 23, delete everything after "*ceremonies*"

Page 2, line 24, delete "*the property owners, but*" and insert a period

With the recommendation that when so amended the bill pass.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1916, A bill for an act relating to insurance; requiring notification to the issuing insurer when replacing a life insurance policy; amending Minnesota Statutes 1984, section 72A.20, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 72A.20, is amended by adding a subdivision to read:

Subd. 1a. [FAILURE TO NOTIFY INSURER OF REPLACEMENT OF A LIFE INSURANCE POLICY.] (a) Failing within five days of receipt of the application for a replacement life insurance policy or annuity contract, and prior to commencing any underwriting, to send a written notification of the replacement or possible replacement to the home office of the replaced insurer constitutes an unfair method of competition and an unfair and deceptive act or practice in the business of insurance.

Notification shall include the applicant's name, the insured's name, the policy number of the policy being replaced, the generic name and face amount of the replacing policy and the legal names of all insurers.

(b) The commissioner of commerce shall adopt rules governing the replacement of life insurance or annuity contracts. The rules at a minimum must include provisions:

(1) guaranteeing the policyholder at least a 20-day right to return the policy after delivery and providing the policyholder with a written notice of this right;

(2) prescribing the duties of insurers and agents, including minimum standards of conduct to be observed in the replacement or proposed replacement of these policies; and

(3) prescribing the form and content of a notice to be completed by the applicant and the agent or insurer prior to completing a new application for a life insurance policy or annuity contract, which provides information regarding replacement transactions."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "requiring the commissioner to adopt rules regulating replacements;,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1944, A bill for an act relating to the city of Minneapolis; providing that certain positions be appointed in the unclassified service; amending Laws 1969, chapter 937, section 1,

subdivisions 9, as amended, 11 and 15, and by adding subdivisions.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1984, section 44.04, subdivision 4, is amended to read:

Subd. 4. [MEETINGS.] The board shall hold regular and special meetings as provided by its rules. All meetings and hearings shall be open to the public. Two members of the board shall constitute a quorum. Members shall be paid all necessary expenses. The board shall select a secretary to serve at the pleasure of the board. The secretary may be a member of the board or an employee of the municipality. The council may authorize the payment of compensation for (HIS SERVICES, NOT EXCEEDING \$100 A YEAR) *the secretary* and (MAY AUTHORIZE THE PAYMENT OF COMPENSATION FOR) the members of the board (NOT EXCEEDING \$150 PER YEAR).”

Page 1, strike lines 17 and 18

Page 1, line 19, strike “(e)” and insert “(c)”

Page 1, line 20, strike “(f)” and insert “(d)”

Page 1, line 21, strike “(g)” and insert “(e)”

Page 1, line 22, strike “(h)” and insert “(f)”

Page 1, line 23, strike “(i)” and insert “(g)”

Page 1, line 24, strike “(j)” and insert “(h)”

Page 1, line 25, strike “(k)” and insert “(i)”

Page 1, line 25, delete the new semicolon

Page 1, delete line 26

Page 2, lines 1 to 21, delete the new language

Page 2, after line 21, insert:

“Sec. 3. Laws 1969, chapter 937, section 1, is amended by adding a subdivision to read:

Subd. 9a. The city council shall by ordinance indicate the manner in which the following positions are appointed:

- (a) *Director of federal employment and training;*
- (b) *Director of inspections;*
- (c) *Director of women/minorities business enterprise;*
- (d) *Government relations representative;*
- (e) *Risk manager;*
- (f) *Deputy finance officer;*
- (g) *Assistant budget director;*
- (h) *Assistant manager of auditorium;*
- (i) *Manager of sales and marketing at auditorium;*
- (j) *Director of community crime prevention;*
- (k) *Deputy purchasing director;*
- (l) *Urban corps. coordinator;*
- (m) *Assistant director of licenses;*
- (n) *Manager of employee benefits;*
- (o) *Director of public information;*
- (p) *Internal auditor;*
- (q) *Director of labor relations;*
- (r) *Director of affirmative action.*

The appointing authority shall not terminate an incumbent holding a position listed under clause (b) for 270 days following the effective date of this act, except for misfeasance or malfeasance in office. For 270 days after the first 270 days, the appointing authority shall not terminate an incumbent holding a position listed under this subdivision, except for misfeasance or malfeasance in office, without vote of approval of a majority of the council."

Page 3, delete section 5

Page 3, line 13, delete "This act is" and insert "Sections 2 to 6 are"

Renumber the sections in sequence

Amend the title as follows :

Page 1, line 2, delete "the city of Minneapolis" and insert "local government"

Page 1, line 2, after the semicolon insert "removing compensation limitations from the personnel boards of certain cities;"

Page 1, line 4, after "service" insert "of the city of Minneapolis"

Page 1, line 4, after "amending" insert "Minnesota Statutes 1984, section 44.04, subdivision 4;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1956, A bill for an act relating to financial institutions; providing for open end loan account arrangements; modifying permissible finance charges and annual charges; eliminating alternative credit card plan requirements; amending Minnesota Statutes 1984, section 48.185, subdivisions 1, 3, and 4; repealing Minnesota Statutes 1984, section 48.185, subdivision 4a.

Reported the same back with the following amendments:

Page 2, line 2, strike "rate" and insert "*finance charge*"

Page 2, line 3, strike "one and one-half percent per month"

Page 2, lines 7 to 15, strike the old language

Page 2, line 16, strike everything before the period and insert "*the equivalent of an annual percentage rate of 18 percent computed on a 365-day year and in accordance with the Truth in Lending Act, United States Code, title 15, section 1601 et seq., and the Code of Federal Regulations, title 12, part 226 (1985)*"

Page 3, after line 10, insert:

"Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1966, A bill for an act relating to the attorney general; authorizing an increase in the number of assistant attorneys general; amending Minnesota Statutes 1984, section 8.02.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2001, A bill for an act relating to occupations and professions; architects, engineers, land surveyors, and landscape architects; making certain technical changes related to certain licensing exceptions; amending Minnesota Statutes 1984, sections 326.03, subdivision 2; and 326.06.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2010, A bill for an act relating to the state high school league; providing for the appointment of certain board members; providing penalties for recruiting students; providing for student athletics and activity eligibility after certain transfers; providing standards for student participation in nonscholastic activities; providing administrative appeals from various decisions; amending Minnesota Statutes 1984, section 129.121, subdivision 1, and by adding subdivisions.

Reported the same back with the following amendments:

Page 2, line 9, delete "The"

Page 2, delete lines 10 to 16

Page 3, delete lines 16 to 26 and insert:

"Subd. 1b. [STUDENT TRANSFER.] A student shall remain eligible to participate in interscholastic athletics and

other activities regulated by the league after transferring from one school to another if there is a corresponding change in address, a death in the family, or the student's parents separate or undergo marriage dissolution. In all other cases a student who transfers from one school to another shall become eligible to participate in interscholastic athletics and other activities regulated by the league 90 school days after the student begins attending the new school."

Page 3, delete lines 29 to 36

Page 4, delete lines 1 to 3 and insert:

"Subd. 1c. [NONSCHOOL EVENTS.] After a student has participated in an interscholastic athletic event or other activity regulated by the league, the student shall not participate in a nonschool team in an organized game, meet, or tournament in that sport or activity during the season of the sport or activity, except as otherwise provided by this subdivision. A student may voluntarily participate in any nonschool sport or activity from Memorial Day to Labor Day without losing eligibility to participate in interscholastic athletics or other activities regulated by the league.

For purposes of this subdivision a nonschool team is one on which students receive coaching, training, uniforms, or equipment and compete in games, meets, or tournaments other than those regulated by the league or sponsored by a member school."

Page 4, delete lines 13 to 36

Page 5, delete line 1 and insert:

"Subd. 1d. [MEDIATION.] Any party aggrieved by action taken under section 2, 3, or 4, or by any league decision affecting an individual's or school's participation in interscholastic athletics or other activities regulated by the league may seek mediation to resolve the dispute. The aggrieved party must request mediation not later than seven days after the decision is issued or action is taken. The aggrieved party and the league shall each select a mediator, and the mediators shall select a third mediator to serve on the panel. The parties to the mediation shall agree in advance in writing whether the mediated agreement will be binding or nonbinding. The mediators and parties shall meet not later than seven days after all three mediators are chosen. Any fees for the mediators' services shall be paid by the league."

Page 5, line 3, delete "appealed" and insert "mediated"

Page 5, after line 6, insert:

"Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1987, unless the league adopts rules substantially similar to sections 2, 3, 4, and 5 of the bill styled as H. F. No. 2010 at the 1986 session and reports those rules to the house committees on education and general legislation and the senate committee on education by March 1, 1987."

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 2025, A bill for an act relating to transportation; creating legislative transportation commission; appropriating money.

Reported the same back with the following amendments:

Page 1, line 15, after "*expire*" delete "*January*" and insert "*July*"

Page 1, line 17, after "*expire*" delete "*January*" and insert "*July*"

Page 1, line 17, delete "*following*" and insert "*next odd-numbered*"

Page 1, line 19, after "*least*" delete "*one appointee*" and insert "*two appointees*" and delete "*a*"

Page 1, line 20, delete "*member*" and insert "*members*"

Page 1, delete lines 21 to 24

Page 2, delete line 1 and insert:

"Subd. 3. [CHAIR.] The chair shall be elected by the members of the commission. The chair must alternate every other year between a member of the house and a member of the senate."

Page 2, delete lines 28 to 31

Page 2, line 33, delete "\$250,000" and insert "....."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2030, A bill for an act relating to veterans; establishing a veterans' cemetery; proposing coding for new law in Minnesota Statutes, chapter 197.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 2033, A bill for an act relating to taxation; property; changing the payment date for taxes on certain manufactured homes; amending Minnesota Statutes 1984, section 274.19, subdivision 5; Minnesota Statutes 1985 Supplement, section 274.19, subdivisions 3 and 4.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2067, A bill for an act relating to retirement; regulating workers' compensation offsets to public employee retirement association benefits; amending Minnesota Statutes 1984, sections 353.29, subdivision 2; 353.33, subdivision 5; 353.651, subdivision 2; 353.656, subdivision 2; Minnesota Statutes 1985 Supplement, section 176.021, subdivision 7.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2073, A bill for an act relating to natural resources; allocating a portion of cross country license fees issued by political subdivisions to be used for maintenance of cross country ski trails; amending Minnesota Statutes 1984, section 85.41, subdivision 5.

Reported the same back with the following amendments:

Page 1, delete lines 11 to 21 and insert:

“Subd. 5. [AGENT’S FEE.] The fee for an annual cross country ski license and a daily permit shall be increased by the amount of an issuing fee of 50 cents per license. The issuing fee may be retained by the seller of the license or permit. *A political subdivision that issues a license and maintains a cross country ski trail may retain an additional \$1.50 from annual and \$1 from daily license fees. The additional retained money must be used for cross country ski trail maintenance and development.* A license or permit shall indicate the amount of the *issuing* fee that is retained by the seller. This subdivision does not apply to any license or permit sold by the state.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 2077, A bill for an act relating to taxation; limiting application of the open space property tax law to facilities that do not discriminate on the basis of sex; amending Minnesota Statutes 1984, section 273.112, subdivisions 3 and 4, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, 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; (AND)

(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; and*

(d) made available 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 for events that are held no more frequently than one, or part of one, weekend each calendar month for each sex and no more than one, or part of one, weekday each week for each sex. Use may be restricted on the basis of sex for additional events, provided that the hours, days, and conditions are equal for each sex. The restrictions provided in this clause shall not apply to regularly scheduled weekday leagues.

Sec. 2. Minnesota Statutes 1984, section 273.112, subdivision 4, is amended to read:

Subd. 4. The value of any real estate described in subdivision 3 shall upon timely application by the owner, in the manner provided in subdivision 6, be determined solely with reference to its appropriate private outdoor, recreational, open space and park land classification and value notwithstanding (MINNESOTA STATUTES 1967,) sections 272.03, subdivision 8, and 273.11. In determining such value for ad valorem tax purposes the assessor shall not consider the value such real estate would have if it were converted to commercial, industrial, residential or seasonal residential use.

Sec. 3. Minnesota Statutes 1984, section 273.112, subdivision 6, is amended to read:

Subd. 6. Application for deferment of taxes and assessment under this section shall be made at least 60 days prior to January 2 of each year. Such application shall be filed with the assessor of the taxing district in which the real property is located on such form as may be prescribed by the commissioner of revenue. The assessor may require proof by affidavit or otherwise that the property qualifies under subdivision 3. *In the case of property operated by private clubs pursuant to subdivision 3, clause (c)(3), in order to qualify for valuation and tax deferment under this section, the taxpayer must submit to the assessor proof by affidavit or otherwise that the bylaws or rules and regulations of the club meet the eligibility requirements provided under this section.*

The county assessor shall refer any question regarding the eligibility for valuation and deferment under this section to

the county attorney for advice and opinion under section 388.05, subdivision 1.

Sec. 4. Minnesota Statutes 1984, section 273.112, is amended by adding a subdivision to read:

Subd. 7a. Notwithstanding subdivision 7, when real property ceases to qualify under subdivision 3 because of failure to comply with prohibitions against discrimination on the basis of sex, payment of additional taxes imposed under subdivision 7 is not required.

Sec. 5. [EFFECTIVE DATE.]

Sections 1, 3, and 4 are effective for taxes levied in 1986, payable in 1987, and thereafter. The assessor of any taxing district that contains property that has been valued under Minnesota Statutes, section 273.112, for taxes levied in 1985, payable in 1986, shall notify the owner of that property by May 1, 1986, regarding the requirements imposed by this act. In order to qualify for the valuation and tax deferment for the 1986 assessment, the taxpayer of the property operated by private clubs pursuant to subdivision 3, clause (c)(3), must submit an affidavit or otherwise to the assessor by September 1, 1986, stipulating that the bylaws or rules and regulations of the private club meet the eligibility provisions of this act."

Delete the title and insert:

"A bill for an act relating to taxation; limiting application of the open space property tax law to facilities that do not discriminate on the basis of sex; amending Minnesota Statutes 1984, section 273.112, subdivisions 3, 4, 6, and by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2080, A bill for an act relating to agriculture; declaring state policy relating to paddy-grown rice; amending Minnesota Statutes 1985 Supplement, section 92.501, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 30.

Reported the same back with the following amendments:

Page 1, line 24, delete "in consultation with" and insert "and"

Page 1, line 25, delete the comma after "*resources*"

Page 2, delete lines 10 to 14 and insert:

"Sec. 3. Minnesota Statutes 1985 Supplement, section 92.50, subdivision 1, is amended to read:

Subdivision 1. [LEASE TERMS.] The commissioner of natural resources may lease, at public or private vendue and at the prices and under the terms and conditions he or she may prescribe, any state-owned lands under his or her jurisdiction and control for the purpose of taking and removing sand, gravel, clay, rock, marl, peat, and black dirt, for storing ore, waste materials from mines, or rock and tailings from ore milling plants, for roads or railroads, or for any other uses consistent with the interests of the state. Except as otherwise provided in this subdivision, the term of the lease may not exceed ten years. Leases of lands for storage sites for ore, waste materials from mines, or rock and tailings from ore milling plants, for the removal of peat, or for the use of peat lands for agricultural purposes may not exceed a term of 25 years. Leases for the removal of peat must be approved by the executive council.

All leases must be subject to sale and leasing of the land for mineral purposes and contain a provision for cancellation *for just cause* at any time by the commissioner upon (THREE) *six* months' written notice. A longer notice period, not exceeding three years, may be provided in leases for storing ore, waste materials from mines or rock or tailings from ore milling plants. The commissioner may determine the terms and conditions, including the notice period, for cancellation of a lease for the removal of peat. Money received from leases under this section must be credited to the fund to which the land belongs."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 92.50, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 2101, A bill for an act relating to education; allowing school boards to join the Minnesota rural education association;

amending Minnesota Statutes 1984, section 123.33, subdivision 10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 123.33, subdivision 10, is amended to read:

Subd. 10. The school board of any school district of this state, *including a school board as defined in section 136C.02, subdivisions 8 and 9*, by a two-thirds vote may become a member of (THE MINNESOTA SCHOOL BOARDS ASSOCIATION OR THE MINNESOTA ASSOCIATION OF PUBLIC SCHOOLS, OR THE METROPOLITAN AREA SCHOOL BOARD ASSOCIATION, AND APPOINT ONE OR MORE OF ITS MEMBERS TO ATTEND ITS ANNUAL MEETING) *any association of school districts*. The amount of annual membership dues in the association and actual and necessary (EXPENSE INCURRED IN ATTENDING SUCH MEETING) *expenses of membership* shall be paid as other expenses of the district are paid.

Sec. 2. [REPEALER.]

Minnesota Statutes 1985 Supplement, section 123.33, subdivision 14, is repealed.”

Delete the title and insert:

“A bill for an act relating to education; allowing school boards to join any association of school districts; amending Minnesota Statutes 1984, section 123.33, subdivision 10; repealing Minnesota Statutes 1985 Supplement, section 123.33, subdivision 14.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 2106, A bill for an act relating to education; adding post-secondary vocational technical education representation on the ESV computer and UFARS advisory councils; amending Minnesota Statutes 1984, sections 121.901, subdivision 1; and 121.934, subdivisions 1 and 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2124, A bill for an act relating to natural resources; enacting a reorganization of the department of natural resources and requiring the commissioner of natural resources to implement the same by December 31, 1986; amending Minnesota Statutes 1984, sections 84.01, subdivision 3; 84.028, subdivision 3; 84.082; 84.086; 97.41, subdivision 2; 105.40, subdivisions 1 and 2; repealing Minnesota Statutes 1984, sections 84.081; 84.083; and 89.014.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 84.01, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of Laws 1969, Chapter 1129, sections 1 to 16, and to other applicable laws the commissioner shall organize the department and employ (TWO ASSISTANT COMMISSIONERS, BOTH OF WHOM) a deputy commissioner who shall serve at the pleasure of the commissioner in the unclassified service, (ONE OF WHOM SHALL HAVE RESPONSIBILITY FOR COORDINATING AND DIRECTING THE PLANNING OF EVERY DIVISION WITHIN THE AGENCY,) and such other officers, employees, and agents as he may deem necessary to discharge the functions of his department, define the duties of such officers, employees, and agents and to delegate to them any of his powers, duties, and responsibilities subject to his control and under such conditions as he may prescribe. Appointments to exercise delegated power shall be by written order filed with the secretary of state.

Sec. 2. [84.012] [PURPOSE.]

The purpose of sections 1 to 16 is to further increase the accountability of the commissioner of natural resources by emphasizing the commissioner's primary responsibility for actions of the department, and to decentralize the field or outstate functions of the department now taken at the division level, by strengthening the role of the department's six administrative regions. By emphasizing the accountability of the commissioner and strengthening the role of the department's administrative regions, it is the legislature's purpose to:

(1) *bring the administration and field functions of the department closer to the regional residents and thereby make the department more responsive to regional needs;*

(2) *recognize the diversity of the state's natural resources and facilitate planning around regional resources;*

(3) *maximize uniformity in position descriptions from region to region and area to area, but the percentage of time spent on any employment activity may differ based on the resource characteristics of the area and region;*

(4) *provide more effective, efficient, and accountable management of the state's natural resources; and*

(5) *structure and design job duties and requirements for regional and area positions to provide for maximum flexibility in selection and assignment in order to meet organizational needs and increase opportunity for employee advancement.*

Sec. 3. [84.014] [STRUCTURE OF DEPARTMENT.]

Subdivision 1. [CENTRAL OFFICE; REGIONS.] The department of natural resources consists of:

(1) *a central office, composed of the office of the commissioner and deputy commissioner and five administrative units as provided in section 4; and*

(2) *geographically-designated administrative regions and areas as provided in section 5.*

Subd. 2. [DEPARTMENT COORDINATING COMMITTEE.] There is created a department coordinating committee as provided for in section 6. The committee consists of the commissioner, deputy commissioner, and the directors of each of the regions.

Subd. 3. [CITIZENS REGIONAL ADVISORY COMMITTEE.] There is created a citizens advisory committee as provided for in section 5, subdivision 5, in each of the administrative regions.

Sec. 4. [84.016] [CENTRAL OFFICE.]

Subdivision 1. [ORGANIZATION.] The department central office is composed of the offices of the commissioner and deputy commissioner and the five administrative units provided in subdivisions 4 to 8. Each of the five units is under the immediate charge of a unit administrator, who shall be chosen by the commissioner, shall be knowledgeable and experienced in public administration, and shall serve in the unclassified service.

Subd. 2. [EMPLOYEE RATIOS.] The central office shall contain no more than one-sixth the total complement of the department.

Subd. 3. [LEGAL COUNSEL.] The commissioner may choose and employ private legal counsel who shall be designated as special assistant attorney general.

Subd. 4. [ADMINISTRATIVE SERVICES UNIT.] It is the duty of the commissioner, through the administrative services unit, to:

(1) provide financial management, including budgeting and audit services to the department;

(2) apply for and administer federal grants and administer cash gifts;

(3) provide assistance in personnel matters, including affirmative action requirements;

(4) coordinate office services, licensing, and other records information systems; coordinate procurement of supplies and equipment of the department; and provide for a department library that shall be accessible to both department employees and members of the public;

(5) coordinate planning and policymaking for the department programs administered by the unit;

(6) acquire, exchange, sell and lease lands, but not timber permits, and minerals for the department, consistent with policies, law, and constitutional requirements of the state; the unit shall also keep and maintain all records, maps, and other documents relating to lands and minerals, including records of ownership rights as supplied by regional surveying teams; records shall also be kept of lands and mineral transactions to provide equitable rental and royalty income for land and mineral accounts; administer the mined land reclamation, and in lieu of tax payments programs;

(7) review and report to the commissioner, at the commissioner's discretion, on the budget planning process of the regional directors that are not reviewed and reported by the administrators of the lands and waters units; and

(8) provide other and further services in support of the regional directors consistent with the purposes of the unit, as assigned by the commissioner.

Subd. 5. [COMMUNITY DEVELOPMENT UNIT.] It is the duty of the commissioner, through the community development unit, to:

(1) coordinate planning and policymaking for the department programs administered by the unit, including the youth conservation corps program; coordinate volunteer programs, information and education programs, and tourism functions of the department;

(2) coordinate department research services to collect data and information on forestry, wildlife, fisheries, minerals, climate, waters, and demography; in providing research services, the unit shall establish, within the limits of appropriations, joint research programs with the University of Minnesota and the units of the state university system designated in sections 136.01 and 136.017, and other public and private educational institutions, and in so doing, the unit may station department personnel at any of the universities, colleges, or institutions; and

(3) provide such other and further services in support of the regional directors, consistent with the purposes of the unit, as assigned by the commissioner.

Subd. 6. [LANDS UNIT.] It is the duty of the commissioner, through the lands unit, to:

(1) coordinate department programs in the areas of forestry, including forest management and firefighting; wildlife, including special game management and wildlife acquisition; and recreation, including forest recreation, trails, parks, water recreation, and recreation vehicles;

(2) coordinate planning and policymaking for the department programs administered by the unit, including forestry management and guidelines, wildlife population goals, and establishing hunting season times and other rules;

(3) review and report to the commissioner, at his discretion, on the budget planning of the regional directors in the subject areas administered by the unit; and

(4) provide such other and further services in support of the regional directors, consistent with the purposes of the unit, as assigned by the commissioner.

Subd. 7. [WATERS UNIT.] It is the duty of the commissioner, through the waters unit, to:

(1) coordinate department programs in the areas of fisheries, including fish management and hatcheries; and water adminis.

tration, including water use management and water information systems;

(2) coordinate planning and policy making for the department programs administered by the unit, including setting fish population goals and establishing fishing season times and other rules;

(3) review and report to the commissioner, at his discretion, on the budget planning of the regional directors in the subject areas of waters and fisheries;

(4) develop and critique rules for water permit and shoreland administration;

(5) coordinate irrigation policy and management for the department, including the issuance of permits and the appropriation of water from groundwater and surface sources; and

(6) provide such other and further services in support of the regional directors, consistent with the purposes of the unit, as assigned by the commissioner.

Subd. 8. [ENFORCEMENT UNIT.] It is the duty of the commissioner, through the enforcement unit, to enforce the laws that the commissioner is assigned to enforce. The unit shall provide other services in support of the regional directors, consistent with the purposes of the unit, as assigned by the commissioner. The unit administrator must be an experienced law enforcement officer.

Sec. 5. [84.018] [GEOGRAPHIC REGIONS AND AREAS.]

Subdivision 1. [DESIGNATION OF REGIONS; HEADQUARTERS.] The department's field operations are divided into those geographic regions designated by the commissioner on June 28, 1974. Each region shall have a regional headquarters at a place designated by the commissioner. A regional headquarters may employ no more than one-fifth of the total number of regional employees, unless the additional employee serves more than one region.

Subd. 2. [DIVISION OF REGIONS INTO AREAS; AREA MANAGER AND BUDGET.] The director of each region shall further divide the region into administrative areas for administrative and management purposes. The area's boundaries shall be based upon the existence, use, and administration of natural resources within the region and shall be designed to facilitate efficiency in management of the resource and use of regional personnel. Each area within a region is under the immediate charge of an area supervisor who shall be selected by the regional director

and who shall be knowledgeable in the administration of the area supervised.

Subd. 3. [REGIONAL DIRECTOR; DEPUTY DIRECTOR.] The commissioner shall appoint a regional director and deputy regional director to oversee the business of each region. The directors serve at the pleasure of the commissioner in the unclassified service, and the deputy directors serve in the classified service. Regional directors shall be knowledgeable and experienced in public administration and shall perform those duties assigned by the commissioner. Deputy regional directors shall perform those duties assigned by the regional directors. Regional directors shall give a bond to the state in an amount determined by the department of administration.

Subd. 4. [REGION ADMINISTRATION.] Each regional director shall provide for region administration for the functions of planning, lands and minerals, waters, community liaison, enforcement, and office management and may appoint a manager for each function in the regional office who shall be assigned those duties determined by the regional director.

Subd. 5. [BUDGET DEVELOPMENT.] Each regional director shall develop and propose a division budget to the coordinating committee. Revenues derived from general fund appropriations and from the various dedicated funding sources shall be divided among regions and within a region and area according to the percentage of time spent by the regions and areas in managing the resource for which the appropriation has been made or the fund has been dedicated.

Subd. 6. [REGIONAL CITIZENS' ADVISORY COMMITTEE.] There is a citizens' advisory committee in each region, composed of seven residents of the region, who shall be interested in the natural resources of the region and shall be appointed by the regional director. At least two members of each committee must be actively involved in farming. Members shall be appointed for terms of four years, except that initial appointments shall be for terms of differing number of years as determined by the regional director. Members shall not be considered employees or agents of the department for any purpose and shall receive no compensation of any kind for their service on a committee. The committee shall advise the regional director on subjects concerning the administration and management of the region and its natural resources. Advisory committees shall elect a chair and vice chair and shall meet at the call of the chair, but no less often than four times each year. Written minutes shall be made of each meeting with the assistance of staff provided by the regional director.

Sec. 6. [84.02] [DEPARTMENT COORDINATING COMMITTEE.]

There is a department coordinating committee composed of the commissioner, deputy commissioner, and the regional directors. The committee shall be chaired by the commissioner, and shall meet at least quarterly, and at other times specified by the commissioner. The committee shall make recommendations to the commissioner to coordinate the policy, planning, and budgeting of the department and make other recommendations to the commissioner concerning the operation of the department as the committee shall determine. The deputy commissioner shall appoint department employees to serve as full-time staff to the committee. Committee members shall be compensated in the manner provided by section 15.0575, subdivision 3. Written minutes of each committee meeting shall be made with the assistance of the staff provided by the deputy commissioner.

Sec. 7. Minnesota Statutes 1984, section 84.028, subdivision 3, is amended to read:

Subd. 3. The operation of the game warden service in the division of game and fish as constituted before July 1, 1967 is under the direct control and supervision of the commissioner. The name of the personnel in such game warden service is changed to conservation officers. Conservation officers shall continue to have the powers and duties of game wardens as they existed before July 1, 1967 and may be assigned to public relations, conservation instructional activities, and the enforcement of laws relating to resources management which the commissioner shall direct. (THE COMMISSIONER SHALL CREATE A SEPARATE DIVISION ENTITLED THE DIVISION OF ENFORCEMENT AND FIELD SERVICE, TO BE COMPOSED OF CONSERVATION OFFICERS AND SHALL APPOINT A DIRECTOR OF THE DIVISION. THE COMMISSIONER MAY PLACE THE DIRECTOR'S POSITION IN THE UNCLASSIFIED SERVICE IF THE POSITION MEETS THE CRITERIA ESTABLISHED IN SECTION 43A.08, SUBDIVISION 1A.)

Sec. 8. Minnesota Statutes 1984, section 84.082, is amended to read:

84.082 [VACANCIES.]

In case of a vacancy in the office of commissioner or of any regional director or unit administrator, his deputy shall have all of the powers and perform all of the duties thereof until a successor, either as an acting or regular incumbent, has been appointed and has qualified; provided, no deputy commissioner serving as commissioner in the event of a vacancy shall have power to discharge a director or to revise or change the assignments of activities among the (DIVISIONS) regions or other units of the department or to designate another deputy. While serving in such vacated office a deputy shall receive the same salary as the regular incumbent.

Sec. 9. Minnesota Statutes 1984, section 84.086, is amended to read:

84.086 [SEALS, UNIFORMS AND BADGES.]

Subdivision 1. [SHALL HAVE SEALS.] The department of natural resources (AND THE SEVERAL DIVISIONS THEREOF) shall have seals in the form and design heretofore adopted, bearing the words "State of Minnesota, Department of Natural Resources (,)" (ALSO, IN CASE OF A DIVISION SEAL, THE TITLE OF THE DIVISION). The seals may be used to authenticate the official acts of the commissioner (OR THE DIRECTORS, RESPECTIVELY), but omission or absence of the seal shall not affect the validity or force of any such act.

Subd. 2. [COMMISSIONER MAY FURNISH BADGES AND UNIFORMS.] (a) The commissioner may provide for the issuance at state expense of such badges and uniforms as he may deem necessary and suitable for officers or employees of the department (AND ITS DIVISIONS).

(b) Uniforms for conservation officers and their supervisors shall be equipped with distinctive emblems, and shall be distinctive from the uniforms of any (DIVISION OR) section of the department of natural resources, the state patrol, or any other state department or agency.

Sec. 10. Minnesota Statutes 1984, section 97.41, subdivision 2, is amended to read:

Subd. 2. All provisions of chapters 97 to 102 shall be construed as subject to, and not changing or modifying the authority of the commissioner to delegate powers, duties and functions as conferred by (SECTIONS 84.083 AND) *section* 84.088.

Sec. 11. Minnesota Statutes 1984, section 105.40, subdivision 1, is amended to read:

Subdivision 1. (THE DIRECTOR OF THE DIVISION OF WATERS, SOILS AND MINERALS OF THE DEPARTMENT OF NATURAL RESOURCES SHALL BE A REGISTERED PROFESSIONAL ENGINEER, SKILLED IN HYDRAULICS. UNDER THE DIRECTION OF) The commissioner (, HE) shall make the surveys and engineering investigations required by sections 105.37 to 105.55 and perform the following duties.

Sec. 12. Minnesota Statutes 1984, section 105.40, subdivision 2, is amended to read:

Subd. 2. A complete copy of all preliminary and final engineers' maps, plans and reports on all public ditches hereafter initiated in the state shall be filed in the office of the (DIRECTOR) *commissioner or the commissioner's designee* by the re-

spective county auditors or clerks of district court, and the (DIRECTOR) *commissioner or the commissioner's designee* shall report thereon to the county boards of commissioners or judges of the district court, as required by the county and judicial ditch laws of this state.

Sec. 13. [IMPLEMENTATION AND TRANSITION.]

Subdivision 1. [COMMISSIONER'S DUTIES.] The commissioner of natural resources is responsible for implementing sections 1 to 16. The commissioner shall, by December 31, 1986, develop an implementation plan to effect the changes made or required by those sections. Reassignment, reclassification, or both, of employees shall occur after December 31, 1986, pursuant to the provisions of applicable collective bargaining agreements and plans established pursuant to section 49A.18. Actual implementation of the commissioner of natural resources' plan shall be completed by June 30, 1987.

Subd. 2. [CONTINUATION OF PROGRAMS AND PROCEEDINGS.] The provisions of sections 1 to 16 enact a reorganization of the structure of the department of natural resources and shall be construed to be a continuation of the programs administered by the department and a continuation of the powers of the commissioner except as expressly limited or changed by those sections. Elimination of or changes in the department's programs shall not be made by the commissioner unless expressly required by sections 1 to 16, or other law or appropriations, and all actions and proceedings involving the department pending on the effective date of sections 1 to 16 continue with the same force and effect after July 1, 1986.

Subd. 3. [EMPLOYEES AND POSITIONS.] (a) To the maximum extent possible, all employee positions existing on the effective date of sections 1 to 16, and all persons employed by the department on that date shall be continued and retained after July 1, 1986.

(b) All classification determinations necessary to effect the changes required by sections 1 to 16 shall be finalized by the commissioner of employee relations by December 31, 1986.

Subd. 4. [APPROPRIATION.] The legislative commission on Minnesota resources may make available to the commissioner the amount of money the commission determines necessary to implement sections 1 to 16 that is not otherwise available to the commissioner.

Sec. 14. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the words "director" and "division" when referring to a director and division of

the department of natural resources to "commissioner" and "department" or "department of natural resources," respectively, unless such terms would result in duplication or confusion of statutory language, in which case the revisor shall eliminate the reference to "director" or "division," or make another appropriate change consistent with sections 1 to 16.

By requiring the revisor to make these changes it is not the purpose of the legislature to prevent the commissioner from delegating his authority to the deputy commissioner or other department employee consistent with section 15.06, subdivision 6.

Sec. 15. [REPEALER.]

Minnesota Statutes 1984, sections 84.081, 84.083, and 89.014, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; enacting a reorganization of the department of natural resources and requiring the commissioner of natural resources to implement the same by June 30, 1987; amending Minnesota Statutes 1984, sections 84.01, subdivision 3; 84.028, subdivision 3; 84.082; 84.086; 97.41, subdivision 2; 105.40, subdivisions 1 and 2; repealing Minnesota Statutes 1984, sections 84.081; 84.083; and 89.014."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2130, A bill for an act relating to public safety; regulating transportation of firearms and bows; amending Minnesota Statutes 1984, section 100.29, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 21, strike "unlawful" and insert "lawful"

Page 1, line 22, strike "unless" and delete "it is" and strike "unstrung"

Page 1, line 24, before the period insert "*if it is strung in the state of Minnesota and its municipalities of 12,000 population or less*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 2134, A bill for an act relating to human services; creating a service for the blind and visually handicapped in the department of jobs and training; providing for appeals; providing a penalty; amending Minnesota Statutes 1985 Supplement, sections 13.46, subdivision 2; 248.07, subdivisions 1, 2, 3, 4, 5, 7, 12, 14, 14a, and 15; proposing coding for new law in Minnesota Statutes, chapters 13 and 248; repealing Minnesota Statutes 1985 Supplement, section 248.08.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2137, A bill for an act relating to game and fish; designation and use of waterfowl feeding or resting areas; amending Minnesota Statutes 1984, section 99.26, subdivision 5.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2138, A bill for an act relating to natural resources; disposition of wild rice license fees; amending Minnesota Statutes 1984, section 97.49, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 21, insert:

"Sec. 2. [CLAIMS.]

The provisions under Laws 1984, chapter 539, sections 1 and 3 are continued in force and remain in effect until December 31, 1990, notwithstanding any provision of that chapter to the contrary.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1986. Section 2 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "extends the effective date of Laws 1984, chapter 539;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2139, A bill for an act relating to natural resources; extending provisions relating to loggers permits; amending Laws 1985, First Special Session chapter 13, section 219, subdivisions 2 and 5.

Reported the same back with the following amendments:

Page 1, line 16, after the second "the" insert "*loss of Thunder Bay, Ontario, timber markets and the*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2168, A bill for an act relating to state government; changing certain procedures related to the state archaeologist and archaeological sites; amending Minnesota Statutes 1984, sections 138.35, subdivision 1; and 138.40, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 18, after "When" insert "*significant*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2169, A bill for an act relating to state lands; providing for a procedure to sell state leased lands; providing for maximum lease rates; proposing coding for new law in Minnesota Statutes, chapter 92.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [92.65] [FINDINGS AND PURPOSE.]

The legislature finds that the state leases over 1,500 lakeshore sites containing cabins and that it would be beneficial for the state to provide for a fair and orderly process to transfer ownership of these leased areas to private persons.

The purposes of sections 1 to 4 are: (1) to facilitate the transfer of state leased lands to private citizens in compliance with articles II and XI of the Minnesota Constitution; and (2) to provide transitional lease payments during the transition period.

Sec. 2. [92.66] [TRANSITIONAL LEASE PAYMENTS.]

Until July 1, 1991, the maximum rates for leases under section 92.46, shall be the lease rate in effect on January 1, 1987. If a lakeshore lease site is sold under section 3 and the current lessee is the highest bidder, rental fees paid between the date on which the request is made in section 3, subdivision 1, and the date of the sale shall be applied toward the down payment required in section 3.

Sec. 3. [92.67] [SALE PROCEDURE.]

Subdivision 1. [SALE REQUIREMENT.] Notwithstanding section 92.45, at the request of a lessee, the commissioner of natural resources shall sell state property bordering public waters that is leased for the purpose of a private cabin under section 92.46. Requests for sale must be made prior to July 1, 1991, and the commissioner shall complete all requested sales by July 1, 1992. The sale shall be made in accordance with laws

providing for the sale of trust fund land except as modified by the provisions of this section.

Subd. 2. [APPRAISAL.] Prior to the public sale required by article XI of the Minnesota Constitution, an appraisal shall be made in accordance with section 92.12, except as modified by this section. All improvements that are owned by the lessee shall be appraised separately.

Subd. 3. [APPOINTMENT OF APPRAISERS; ALLOCATION OF APPRAISAL AND SURVEY COSTS.] (a) The commissioner of natural resources shall provide the lessee requesting the sale with a list of all appraisers approved by the commissioner of administration for the appraisal of property for the state. The lessee requesting the sale may select a person from the list, to appraise the property to be sold. If more than one lessee of a cabin site lot leased by the commissioner under section 92.46 within a platted area requests the sale of a leased lot, all requesting lessees may jointly agree upon an appraiser from the list. If the lessee or lessees do not select an appraiser, the commissioner of natural resources shall select the appraiser.

(b) The costs of appraisal shall be allocated by the commissioner to the lots offered for sale and the successful bidder on each lot shall reimburse the commissioner for the appraisal costs allocated to the lot bid upon. If there are no successful bidders on a lot, the commissioner is responsible for the appraisal cost allocated to that lot.

(c) If a new property survey is required before a sale, the costs of the survey shall be allocated by the commissioner to the lots offered for sale and the successful bidder on each lot shall reimburse the commissioner for the survey costs allocated to the lot bid upon. If there are no successful bidders on a lot, the commissioner shall absorb the survey cost allocated to that lot.

(d) If a lot is sold without a new property survey, each bid is received upon the conditions that a warranty of legal description is not made by the commissioner and that each bidder waives all legal rights against the state relating to title or other defects arising from errors in legal description. These conditions shall be included in the notice of sale relating to lots if a new property survey has not been made and shall be announced orally at the commencement of bidding on lots if a new property survey has not been made.

Subd. 4. [TIMING OF SALES.] (a) The commissioner shall offer lakeshore cabin site lots for sale pursuant to written request and in accordance with the following schedule:

(1) as to requests received before January 1, 1987, the sale shall be held in June, July, or August, 1987;

(2) *as to requests received each calendar year after December 31, 1986, the sale shall be held in June, July, or August of the year after the request is received.*

(b) *The last sales shall be held in 1992. Lots not sold the first year offered may be reoffered in a succeeding year, following reappraisal if it is determined necessary by the commissioner.*

Subd. 5. [TERMS OF SALE.] (a) For the sale of property under this section, the purchaser shall pay the state 15 percent of the purchase price at the time of the sale. The interest rate on the remaining balance shall be eight percent per year.

(b) *If a person other than the lessee purchases the leased lakeshore cabin site, the purchaser must provide a cash payment in full to the lessee at the time of the sale for the appraised value of any improvements. Failure of a successful bidder to comply with this provision voids the sale and the property must be rebid, if possible, at the same sale.*

Subd. 6. [SALE PROCEEDS.] After deducting the costs of the sale from the purchase price, the balance shall be invested as provided by the Minnesota Constitution, article XI, section 8.

Sec. 4. [92.68] [MISCELLANEOUS.]

Subdivision 1. [SHORELINE INCLUDED.] Notwithstanding section 92.45, the shoreline of leased sites sold under section 3 are not reserved for public travel.

Subd. 2. [LOCAL ZONING.] For the purpose of local zoning ordinances, land sold under sections 1 to 3 shall be treated as if sold at the time the state first leased the sites.

Subd. 3. [ROAD ACCESS.] The commissioner of natural resources shall continue agreements currently in force for road access to land sold under section 3. Rights of access across state property to the lots offered for sale that are in existence at the time of sale, and not included in the sale, may not be terminated by the commissioner without the consent of the purchasers of the lots or their successors in interest.

Sec. 5. [REPEALER.]

Sections 1 to 4 of this act are repealed on July 1, 1992.

Sec. 6. [REPEALER.]

Laws 1985, First Special Session chapter 14, article 17, section 4, is repealed.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, before the period insert “; repealing Laws 1985, First Special Session chapter 14, article 17, section 4”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Education.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2170, A bill for an act relating to wild animals; authorizing the captive propagation and sale of raptors; amending Minnesota Statutes 1984, section 99.27, subdivision 1.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2177, A bill for an act relating to nonprofit corporations; adoption services corporations; providing that pledges to make contributions to reimburse the corporation for expenses shall be voidable at the option of the person making the pledge and payment of expenses shall not be a prerequisite to providing adoption services; amending Minnesota Statutes 1984, section 317.65, subdivision 7.

Reported the same back with the following amendments:

Page 1, lines 26 and 27, delete the new language

Page 2, lines 1 and 2, delete the new language

Page 2, line 11, after “pledge” insert “by an adoption applicant”

Page 2, line 12, after “a” insert “voluntary” and delete “or reimburse an agency for adoption service”

Page 2, line 13, delete “expenses”

Amend the title as follows:

Page 1, lines 4 and 5, delete "to reimburse the corporation for expenses"

Page 1, lines 6 and 7, delete "and payment of expenses shall not be a prerequisite to providing adoption services"

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 2193, A bill for an act relating to education; clarifying that private proprietary schools may provide certain placement information; modifying the expiration time for solicitor's permits; amending Minnesota Statutes 1984, section 141.26, subdivision 1; Minnesota Statutes 1985 Supplement, section 141.25, subdivision 10.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2195, A bill for an act relating to the city of McIntosh; authorizing the city to issue bonds in excess of its net debt limitations.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 2205, A bill for an act relating to traffic regulations; modifying restrictions on loading of vehicles driven on highways; amending Minnesota Statutes 1984, section 169.81, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 169.81, is amended by adding a subdivision to read:

Subd. 5a. [FIREWOOD LOADS.] No vehicle may be driven or moved on a trunk highway with a load of cut firewood of less than three feet in length which protrudes or extends above the sides of the cargo area of the vehicle unless the load is securely covered by a material of sufficient strength to prevent any part of the load from escaping. No vehicle which has a cargo area without a rear wall may be driven or moved on a trunk highway with a load of cut firewood of less than three feet in length unless the rear of the cargo area is covered with a material of sufficient strength to prevent any part of the load from escaping from the rear. A person who violates this subdivision is guilty of a petty misdemeanor."

Delete the title and insert:

"A bill for an act relating to traffic regulations; providing for restrictions on vehicles transporting firewood on highways; amending Minnesota Statutes 1984, section 169.81, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 2206, A bill for an act relating to taxation; sales; clarifying the application of the exemption for certain fundraising activities to certain school organizations; amending Minnesota Statutes 1985 Supplement, section 297A.256.

Reported the same back with the following amendments:

Page 3, line 5, delete "1985" and insert "1986"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2207, A bill for an act relating to intoxicating liquor; requiring municipal on-sale liquor stores to give equal sales em-

phasis to nonalcoholic beverages; proposing coding for new law in Minnesota Statutes, chapter 340A.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

“Section 1. [340A.510] [SAMPLES.]

Off-sale licensees and municipal liquor stores may provide samples of wine, liqueurs, cordials, and nonalcoholic beverages which the licensee or municipal liquor store currently has in stock and is offering for sale to the general public without obtaining an additional license, provided the wine, liqueur, cordial, and nonalcoholic beverage samples are dispensed at no charge and consumed on the licensed premises during the permitted hours of off-sale in a quantity less than 50 milliliters of wine or nonalcoholic beverage per variety per customer and 25 milliliters of liqueur or cordial per variety per customer.”

Re-number the remaining section

Amend the title as follows:

Page 1, line 2, after the semicolon insert “authorizing the distribution of certain samples;”

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 2208, A bill for an act relating to agriculture; making changes related to agricultural credit and agricultural collateral; changing priority of security interests related to agricultural products; amending Minnesota Statutes 1984, sections 336.9-307; 336.9-312; 336.9-315; 336.9-402; and 336.9-403; proposing coding for new law in Minnesota Statutes, chapter 514.

Reported the same back with the following amendments:

Page 1, line 12, delete “10” and insert “4”

Page 2, line 29, reinstate the stricken “(2)”

Page 3, line 1, after the period insert “(a) A production money security interest takes priority over a conflicting security

interest in the collateral, and also in the proceeds of the collateral, if the production money security interest in the collateral is perfected within 20 days of the debtor's receiving the goods or services acquired with the value secured by the production money security interest, except that conflicting production money security interests in the same collateral rank equally and are entitled to share ratably in the collateral and in proceeds of the collateral.

(b) A production money security interest is a security interest in farm products for new value given (whether by loan of money by a lender or other financier or by extension of credit by a seller or other supplier) to enable the debtor to produce or raise the farm products if the value is in fact so used.

(c) A debtor is enabled to produce or raise farm products when the new value is used:

(i) to pay operating expenses, including normal personal and family expenses, incurred in or while producing or raising the collateral; or

(ii) to acquire goods or services used in producing or raising the collateral, except that a security interest in farm products taken or retained by the seller, lessor, or any other supplier or financier of equipment to secure a debt owed with respect to the equipment is not a production money security interest.

(d) For purposes of this subsection, the meaning of "producing or raising the farm products" includes producing crops or raising livestock.

(i) The meaning of "producing crops" includes preparing the land for planting, planting, cultivating or otherwise tending crops, harvesting, preparing crops for sale or storage prior to sale, storing crops prior to sale, transporting to sale, selling, or engaging in any other activity that proximately relates to the growing and marketing of crops or products of crops.

(ii) The meaning of "raising livestock" includes feeding or grazing, fencing, providing health care, breeding, slaughtering, preparing for sale, transporting to sale, selling, or engaging in any other activity that proximately relates to the care and marketing of livestock or products of livestock.

(e) The creating or perfecting of a production money security interest shall not operate under any circumstances as a default on, an accelerating event under, or otherwise as a breach of: any note or other instrument or agreement of any kind or nature to pay debt; any loan or credit agreement; or any security arrangement of any kind or nature whether the collateral is real or personal property."

Pages 4 to 13, delete sections 5 to 8 and insert:

“Sec. 5. [REPEALER.]

Minnesota Statutes 1984, sections 514.950; 514.952, subdivisions 1 and 6; 514.954, subdivisions 2 and 3; 514.956, subdivisions 1 and 2; 514.958; and 514.959; and Minnesota Statutes 1985 Supplement, sections 514.952, subdivisions 2, 3, 4, and 5; 514.954, subdivision 1; and 514.956, subdivisions 3 and 4, are repealed.”

Amend the title as follows:

Page 1, line 6, after the first semicolon insert “and” and delete “336.9-315;”

Page 1, delete line 7

Page 1, line 8, delete everything before the period and insert “repealing Minnesota Statutes 1984, sections 514.950; 514.952, subdivisions 1 and 6; 514.954, subdivisions 2 and 3; 514.956, subdivisions 1 and 2; 514.958; and 514.959; and Minnesota Statutes 1985 Supplement, sections 514.952, subdivisions 2, 3, 4, and 5; 514.954, subdivision 1; and 514.956, subdivisions 3 and 4”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Financial Institutions and Insurance.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2218, A bill for an act relating to retirement; authorizing inclusion of certain state employees in the correctional officers plan and the purchase of prior service credit; amending Minnesota Statutes 1984, section 352.91, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2221, A bill for an act relating to utilities; determining membership on public utilities commission; prescribing terms and duties of chair; delineating and prohibiting conflict of interest by public utility commissioners and certain employees of the commission and department of public service; imposing a penal-

ty; requiring commission to adopt a code of conduct; amending Minnesota Statutes 1984, sections 216A.03, subdivisions 1 and 3; and 216A.035; 216B.16, subdivisions 1a and 2; 237.075, subdivisions 1a, and 2; proposing coding for new law in Minnesota Statutes, chapter 216A.

Reported the same back with the following amendments:

Page 1, lines 18 and 19, reinstate the stricken "the public utilities commission shall consist of five members"

Page 1, line 25, reinstate the stricken period

Page 3, line 6, delete "or"

Page 3, line 8, delete the period and insert "; or"

Page 3, after line 8, insert:

"(6) acted as a witness in a commission hearing on behalf of an intervenor or on behalf of a person or an organization subject to rate regulation by the commission."

Page 3, line 12, strike "significant portion of his"

Page 3, line 12, after "income" insert "*, other than dividends or other earnings from a mutual fund or trust if these earnings do not constitute a significant portion of the person's income,*"

Page 3, line 30, delete "or"

Page 3, line 31, delete the period and insert "; or"

Page 3, after line 31, insert:

"(6) act as a witness in a commission hearing on behalf of an intervenor or on behalf of a person or an organization subject to rate regulation by the commission."

Page 4, line 14, delete "or"

Page 4, line 16, delete the period and insert "; or"

Page 4, after line 16, insert:

"(6) acted as a witness in a commission hearing on behalf of an intervenor or on behalf of a person or an organization subject to rate regulation by the commission."

Page 5, line 6, delete "or"

Page 5, line 7, delete the period and insert “; or”

Page 5, after line 7, insert:

“(6) act as a witness in a commission hearing on behalf of an intervenor or on behalf of a person or an organization subject to rate regulation by the commission.”

Page 5, line 27, after “rules” insert “, under chapter 14,”

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 2256, A bill for an act relating to partnerships; revising the Uniform Limited Partnership Act; stating duties and powers of limited partners and partnerships; amending Minnesota Statutes 1984, sections 322A.01; 322A.02; 322A.05; 322A.11; 322A.12; 322A.14; 322A.15; 322A.18; 322A.24; 322A.26; 322A.27; 322A.31; 322A.32; 322A.39; 322A.40; 322A.41; 322A.45; 322A.47; 322A.49; 322A.52; 322A.58; 322A.63; and 322A.70.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 2259, A bill for an act relating to the office of ombudsman; expanding the authority of the ombudsman for the department of corrections to include the department of human services; amending Minnesota Statutes 1984, sections 241.41; 241.42, subdivision 2; and 241.44.

Reported the same back with the following amendments:

Page 2, line 1, delete “*treatment*” and “*and nursing*”

Page 2, line 2, delete “*homes*”

Page 2, line 12, delete “*treatment*” and “*and nursing homes*”

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 2260, A bill for an act relating to capital improvements; removing conditions for the construction of certain highway rest areas; amending Laws 1985, First Special Session chapter 15, section 9, subdivision 5.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2266, A bill for an act relating to financial institutions; removing loans made by the energy and economic development authority from a bank's lending limitations; amending Minnesota Statutes 1984, section 48.24, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 22, before the period insert "*or successor agency*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2268, A bill for an act relating to insurance; authorizing and regulating the use of nonprofit risk indemnification trusts; prescribing the powers and duties of the commissioner; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 1, line 15, after "*organizations*" insert "*and their officers, directors, and agents*" and delete "*financial*"

Page 1, delete line 16

Page 1, line 17, delete "*imposition of*"

Page 1, line 21, after "*organizations*" insert "*and their officers, directors, and agents*"

Page 2, line 20, before the period insert "*or property losses*"

Page 2, line 32, delete "*No indemnification agreement*"

Page 2, delete lines 33 and 34 and insert "*Each form of indemnification agreement must be filed with and approved by the commissioner.*"

Page 3, line 1, delete "*contributions*" and insert "*contribution schedules*"

Page 5, after line 21, insert:

"Sec. 2. Minnesota Statutes 1984, section 62E.14, is amended by adding a subdivision to read:

Subd. 4. Notwithstanding the above, any Minnesota resident holder of a policy or certificate of medicare supplement coverages pursuant to section 62A.32 to 62A.35, or medicare supplement plans previously approved by the commissioner, may enroll in the comprehensive health insurance plan as described in section 62E.07, with a waiver of the preexisting condition as described in subdivision 3, without interruption in coverage, provided, the policy or certificate has been terminated by the insurer for reasons other than nonpayment of premium and, provided further, that the option to enroll in the plan is exercised within 30 days of termination of the existing contract.

Coverage in the state plan for purposes of this section shall be effective on the date of termination upon completion of the proper application and payment of the required premium. The application must include evidence of termination of the existing policy or certificate.

Sec. 3. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, line 2, after the semicolon insert "expanding coverage under the state comprehensive health plan;"

Page 1, line 4, after the semicolon insert "amending Minnesota Statutes 1984, section 62E.14, by adding a subdivision; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2281, A bill for an act relating to game and fish; establishing a special elk season; prescribing application for licenses, and application and license fees; appropriating money to reimburse nongame wildlife fund for elk removal; dedicating license and application fees for elk depredation; amending Minnesota Statutes 1985 Supplement, section 98.46, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 100; repealing Laws 1985, chapter 272, section 2.

Reported the same back with the following amendments:

Page 2, after line 1, insert:

"Subdivision 1. [ELK MANAGEMENT PLAN.] Before authorizing a special open season on elk, as provided in subdivision 2, the commissioner must complete an elk management plan that recognizes the value and uniqueness of elk and provides for integrated management of a viable elk population that is in harmony with the environment and affords optimal recreational opportunities."

Page 2, line 3, delete "may" and insert "shall"

Renumber the subdivisions in sequence

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2295, A bill for an act relating to independent school district No. 709; providing for severance pay for employees.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2296, A bill for an act relating to the pollution control agency; allowing the termination of the metropolitan sludge ash siting process.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

"Section 1. Minnesota Statutes 1985 Supplement, section 473.153, subdivision 1, is amended to read :

Subdivision 1. [FACILITIES (REQUIRED).] Except as provided in subdivision 7 and section 115A.33, all facilities for the disposal of solid waste generated by the metropolitan waste control commission shall be established and operated in accordance with this section and section 473.516. The council and the commission shall establish the facilities needed for the disposal of solid waste generated by the commission. (THE COUNCIL AND THE COMMISSION SHALL ESTABLISH AT LEAST ONE FACILITY) *If the council determines under subdivision 6b that the disposal of waste with concentrations of hazardous materials is not necessary or that additional ash disposal capacity is not needed, the council and the commission may not establish any facilities for disposal of solid waste generated by the commission.*

Sec. 2. Minnesota Statutes 1984, section 473.153, subdivision 3, is amended to read :

Subd. 3. [MORATORIUM.] In order to permit the comparative evaluation of sites and the participation of affected localities in decisions about the use of sites, a moratorium is hereby imposed as provided in this subdivision on development within the area of each candidate site and buffer area selected by the council. The moratorium shall extend until six months following the council's decision under subdivision 6 *or until the council determines under subdivision 6b that it will not issue a certificate of need, whichever occurs first.* No development shall be allowed to occur within the area of a site or buffer area during the period of the moratorium without the approval of the council. No county, city, or town land use control shall permit development which has not been approved by the council, nor shall any county, city, or town sanction or approve any subdivision, permit, license, or other authorization which would allow development to occur which has not been approved by the council. The council shall not approve actions which would jeopardize the availability of a candidate site for use as a solid waste facility. The council may establish guidelines for reviewing requests for approval under this subdivision. Requests for approval shall be submitted in writing to the chairman of the council and shall be deemed to be approved by the council unless the chairman otherwise notifies the submitter in writing within 15 days.

Sec. 3. Minnesota Statutes 1985 Supplement, section 473.153, subdivision 5, is amended to read :

Subd. 5. [ENVIRONMENTAL REVIEW.] *If the council issues a certificate of need pursuant to subdivision 6b, an envi-*

ronmental impact statement must be completed on the environmental effects of the council's decisions required by subdivision 6. The statement must be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section. The statement must not address or reconsider alternatives eliminated from consideration pursuant to subdivisions 1 and 2 and must not address the matters subject to decision by the council pursuant to subdivision 6b.

Sec. 4. Minnesota Statutes 1984, section 473.153, is amended by adding a subdivision to read:

Subd. 8. [POLLUTION CONTROL AGENCY; TERMINATION OF SITING PROCESS.] After October 1, 1986, the pollution control agency, after consulting with the metropolitan council and waste control commission and following a public hearing as provided for contested cases in sections 14.57 to 14.69, may determine that the waste disposal facilities required to be established under section 473.153 are not needed because other permitted management methods are or will be sufficient to handle the waste without the disposal facilities. If the agency determines that the facilities are not needed, the agency shall order the council to terminate the disposal facilities siting process established by section 473.153 and to permanently dismiss the candidate sites identified under that section from further consideration as sites for the disposal facilities.

Sec. 5. Minnesota Statutes 1984, section 473.516, is amended by adding a subdivision to read:

Subd. 5. Notwithstanding section 473.523, the commission may enter into a negotiated contract with a private person to take, use, or otherwise dispose of sludge ash generated by the commission for a period of time not to exceed 30 years. In the contract the commission may, under terms and conditions agreed to by the commission and the private party,

(1) obligate itself to pay to the private person a fee for the taking, use, or disposal of sludge ash; and

(2) enter into other obligations the commission considers appropriate that are not otherwise contrary to law.

The obligation of the commission to pay a fee or perform other obligations under the contract is not considered a debt within the meaning of any statutory provision.

Sec. 6. [REPEALER.]

Section 473.153 is repealed effective the day following the date on which the candidate sites are dismissed pursuant to section 4."

Delete the title and insert:

"A bill for an act relating to the pollution control agency; waste disposal site selection; sludge ash disposal contract; amending Minnesota Statutes 1984, sections 473.153, subdivision 3, and by adding a subdivision; and 473.516, by adding a subdivision; and Minnesota Statutes 1985 Supplement, section 473.153, subdivisions 1 and 5; repealing Minnesota Statutes 1984, section 473.153, as amended."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2315, A bill for an act relating to state lands; authorizing an exchange of certain state lands with the city of Thomson in Carlton county.

Reported the same back with the following amendments:

Page 1, line 8, before "*The*" insert "*Notwithstanding Minnesota Statutes, sections 94.341 to 94.349,*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2316, A bill for an act relating to water; prohibiting the commissioner of natural resources from issuing or approving certain permits or plans for diversion of water from certain water basins before consultation with state and Canadian officials; amending Minnesota Statutes 1984, sections 105.37, by adding a subdivision; 105.405, subdivision 2, and by adding subdivisions; and 105.44, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 1, strike "and"

Page 2, line 2, strike everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 2324, A bill for an act relating to education; prohibiting the state board from authorizing a school board to transfer money from the debt redemption fund, except as provided in Minnesota Statutes, section 475.61, subdivision 4; amending Minnesota Statutes 1985 Supplement, section 121.9121, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 121.9121, is amended by adding a subdivision to read:

Subd. 1a. [PROHIBITED TRANSFERS.] The state board of education must not authorize a school board to transfer money from the debt redemption fund to any other fund except as provided in section 475.61, subdivision 4.

Sec. 2. Minnesota Statutes 1984, section 475.61, subdivision 4, is amended to read:

Subd. 4. [SURPLUS FUNDS.] All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of which levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality. However, the amount of any surplus remaining in the debt service fund of a school district when the obligations and interest thereon are paid shall be used to reduce the maintenance levy authorized pursuant to section 124A.03, subdivision 1 (EXCEPT THAT FROM JULY 1, 1982 TO JUNE 30, 1983, A SCHOOL DISTRICT WHICH HAS DISCONTINUED ITS LEVY FOR DEBT SERVICE MAY TRANSFER TO ITS GENERAL FUND THE AMOUNT OF ANY SURPLUS REMAINING IN ITS DEBT SERVICE FUND WHEN THE OBLIGATIONS AND INTEREST THEREON ARE PAID OR WHEN AN ESCROW ACCOUNT FOR DEFEASANCE OF THE ENTIRE AMOUNT OF THE OBLIGATIONS AND INTEREST THEREON HAS BEEN ESTABLISHED).

Sec. 3. [DEBT SERVICE LEVY; INDEPENDENT SCHOOL DISTRICT NO. 750, COLD SPRING.]

Notwithstanding Minnesota Statutes, section 475.61, independent school district No. 750, Cold Spring, may increase the levies

it makes for debt service in 1986, for taxes payable in 1987, and in 1987, for taxes payable in 1988, over the amount the district is otherwise entitled to levy. The amount by which the levies may be increased must not exceed the amount necessary to provide for an equal levy for payment of the district's debt service obligations for each of the next five years, beginning with the levy made in 1986. The additional amount levied under this section must not be considered to be an excess amount for the purposes of section 475.61, subdivision 3. Any surplus money remaining in the debt service fund when the obligations and interest thereon are paid shall be used to reduce the district's maintenance levy authorized pursuant to Minnesota Statutes, section 124A.03, subdivision 1, in the next levy certified. This section does not authorize the district to incur additional indebtedness.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; prohibiting the state board from authorizing a school board to transfer money from the debt redemption fund except under conditions; allowing a debt service for independent district No. 750; amending Minnesota Statutes 1984, section 475.61, subdivision 4; Minnesota Statutes 1985 Supplement, section 121.9121, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 2332, A bill for an act relating to health; requiring the transfer of licensure activities from the commissioner of human services to the commissioner of health.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CITATION.]

Sections 1 to 18 may be cited as "the mandate control act of 1986."

Sec. 2. [PURPOSE.]

The state of Minnesota uses state-supervised county-administered systems for the delivery of many services to its citizens

and calls upon local units of government to provide efficient, cost-effective, quality services within limited funds. The purpose of the mandate control act of 1986 is to ensure that rulemaking reflects the policy of the legislature to allow local governments needed flexibility in the delivery of services.

Sec. 3. [3.99] [RULEMAKING NOTE.]

Subdivision 1. The head or chief administrative officer of each department or agency of state government shall prepare a rulemaking note at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house appropriations committee, or the chair of the senate committee on finances.

Subd. 2. The rulemaking note shall:

(1) state the sections of the bill which will need to be implemented by rule,

(2) describe the purpose and parameters of the proposed rule, and

(3) estimate the cost of and length of time needed for rule-making.

Subd. 3. A copy of the rulemaking note shall be delivered to the chair of the house appropriations committee, the chair of the senate finance committee, the chair of the committee to which the bill has been referred, the chief authors of the bill, and the legislative commission to review administrative rules.

Subd. 4. The legislative commission to review administrative rules shall prescribe a uniform procedure to govern the departments and agencies of the state in complying with the requirements of this section.

Sec. 4. Minnesota Statutes 1984, section 14.11, subdivision 1, is amended to read:

Subdivision 1. [FISCAL NOTE ON RULE IN NOTICE.] If the adoption of a rule by an agency will require the expenditure of public moneys by local public bodies, the appropriate notice of the agency's intent to adopt a rule shall be accompanied by a written statement giving the agency's reasonable estimate of the total cost to all local public bodies in the state to implement the rule for the two years immediately following adoption of the rule if the estimated total cost exceeds \$100,000 in either of the two years. *The written statement must describe the methodology which the agency used to develop the estimated cost.* For purposes of this subdivision, local public bodies shall mean officers and governing bodies of the political subdivisions of the

state and other officers and bodies of less than state wide jurisdiction which have the authority to levy taxes.

Sec. 5. [14.116] [COUNTY CONSIDERATIONS IN RULE-MAKING.]

Subdivision 1. [DEFINITION.] For purposes of this section, a "state-supervised county-administered system" means a program that requires the cooperation of the department of health, the department of human services, or the department of jobs and training, separately or jointly, and the local agency, as defined at section 3.981, subdivision 4, to achieve delivery of the program services.

Subd. 2. [IMPACT ON SYSTEM.] When an agency proposes a new rule, or an amendment to an existing rule, which will affect a state-supervised county-administered system, the agency shall respond with specificity to written comments received from a county board concerning the impact of the proposed rule on county operations. Written comments must be received during the period for public comment and must be answered by the agency prior to final adoption of the rule. Response under this subdivision shall include publication in the state register of:

(i) a summary of the number and nature of comments, organized by part or subpart of the proposed rule; and

(ii) a statement of disposition of any amendment proposed by a county board. If the commissioner rejects the proposed amendment, the statement of disposition shall state with specificity the reason the proposed amendment is unreasonable or unacceptable.

Sec. 6. [14.301] [PUBLIC HEARING.]

The agency shall hold a public hearing on an emergency rule if the agency feels a hearing is needed or if 25 or more people, within 25 days after publication of notice under section 14.30, submit to the agency a written request for a public hearing for one of the following reasons:

(1) all or part of the rule does not require emergency rule-making; or

(2) the fiscal impact of the rule exceeds estimates of the agency.

The agency must hold a public hearing under this section within 25 days of the close of the period for comment under section 14.30.

Sec. 7. Minnesota Statutes 1984, section 14.31, is amended to read:

14.31 [MODIFICATIONS OF PROPOSED EMERGENCY RULE.]

The proposed emergency rule may be modified if the modifications are supported by the data and views submitted to the agency. *The agency may make substantial modifications to the proposed emergency rule when such modifications respond to data and views submitted to the agency. The agency shall publish any substantial modifications within 20 days of the close of the period for comment under section 14.30, or, if there has been a public hearing, within 20 days of the date of the hearing, and shall leave the record open for comment for 20 days after publication before submitting the proposed rule to the attorney general under section 14.32.*

Sec. 8. Minnesota Statutes 1985 Supplement, section 14.40, is amended to read:

14.40 [REVIEW OF RULES BY COMMISSION.]

Subdivision 1. [GENERAL POWERS.] The commission shall promote adequate and proper rules by agencies and an understanding upon the part of the public respecting them. The jurisdiction of the commission includes all rules as defined in section 14.02, subdivision 4. The commission also has jurisdiction of rules which are filed with the secretary of state in accordance with section 14.38, subdivisions 5, 6, 7, 8, 9, and 11 or were filed with the secretary of state in accordance with the provisions of section 14.38, subdivisions 5 to 9, which were in effect on the date the rules were filed. It may hold public hearings to investigate complaints with respect to rules if it considers the complaints meritorious and worthy of attention. If the rules that are the subject of the public hearing were adopted without a rulemaking hearing, it may request the office of administrative hearings to hold the public hearing and prepare a report summarizing the testimony received at the hearing. The office of administrative hearings shall assess the costs of the public hearing to the agency whose rules are the subject of the hearing. The commission may, on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of section 14.42 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session, the rule is effective upon adjournment of the session unless the agency has repealed it. If the bill is enacted, the rule is repealed. The commission shall make a biennial report to the legislature and governor of its activities and include its recommendations to promote adequate and proper rules and public understanding of the rules.

Subd. 2. [REVIEW OF RULES WITH LOCAL COSTS.] At least once every four years, the commission shall review any rule which requires local units of government, in the aggregate, to spend annually \$1,000,000 or more of funds from any source. This provision does not apply to any rule for which the legislature has designated a sunset date.

Sec. 9. Minnesota Statutes 1984, section 145.915, is amended by adding a subdivision to read:

Subd. 3. When there is a decrease in state or federal funds for the support of services specified in the community health services act, counties may but are not required to supplement funding to maintain the level of service.

Sec. 10. Minnesota Statutes 1984, section 245.69, is amended by adding a subdivision to read:

Subd. 3. [RULEMAKING.] When a bill provides for delegating rulemaking power, the commissioner shall, in addition to preparing the rulemaking note under section 3:

(1) Prepare and provide to the chairs of the human services committees of the legislature and to representative groups of people affected by the rule a summary of the rule in plain language. The summary shall include an overview of the rule, as well as any minority reports, and shall focus on major changes to existing law and rule.

(2) Consult with an advisory group which includes an equitable distribution of consumers, providers, and local government. To the extent possible, members of the advisory group shall not be appointed by the commissioner but shall be designated by the groups they represent.

Sec. 11. Minnesota Statutes 1984, section 254A.03, subdivision 3, is amended to read:

Subd. 3. The commissioner of human services shall establish by rule criteria to be used in determining the appropriate level of chemical dependency care, whether outpatient, inpatient or short-term treatment programs, for each recipient of public assistance seeking treatment for alcohol or other drug dependency and abuse problems. The criteria shall address, at least, the family relationship, past treatment history, medical or physical problems, arrest record, and employment situation. The criteria shall permit county boards to establish qualifications for people making chemical dependency assessments and a process to be used in conducting assessments. The commissioner may develop minimum standards that shall be used by counties for persons conducting the assessments.

Sec. 12. Minnesota Statutes 1984, section 256.871, is amended by adding a subdivision to read:

Subd. 8. When the legislature appropriates money for supplementary grants and includes utility recaps in its appropriation, the commissioner shall issue no rule or instructional bulletin prohibiting counties from spending supplementary grant money for utility recaps under emergency assistance.

Sec. 13. Minnesota Statutes 1985 Supplement, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all applicants, except (1) patients transferred from other nursing homes; (2) patients who, having entered acute care facilities from nursing homes, are returning to nursing home care; (3) persons entering a facility described in section 256B.431, subdivision 4, paragraph (b); or (4) persons entering a facility conducted by and for the adherents of a recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing. The cost for screening persons who are receiving medical assistance or who would be eligible for medical assistance within 180 days of nursing home or boarding care home admission, must be paid by state, federal, and county money. Other persons shall be assessed by a screening team upon payment of a fee approved by the commissioner. *The county board is authorized to determine the use of staff and the process for conducting screening activities according to performance standards established by the commissioner under chapter 14.*

Sec. 14. Minnesota Statutes 1985 Supplement, section 256B.092, subdivision 7, is amended to read:

Subd. 7. [SCREENING TEAMS ESTABLISHED.] Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community-based services of persons who are entitled to the level of care provided by an intermediate care facility for persons with mental retardation or related conditions or for whom there is a reasonable indication that they might require the level of care provided by an intermediate care facility. The screening team shall make an evaluation of need within 15 working days of the request for service and within five working days of an emergency admission of an individual to an intermediate care facility for persons with mental retardation or related conditions. The screening team shall consist of the case manager, the client, a parent or guardian, a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1982 (. FOR INDIVIDUALS DETERMINED TO HAVE

OVERRIDING HEALTH CARE NEEDS, A REGISTERED NURSE MUST BE DESIGNATED AS EITHER THE CASE MANAGER OR THE QUALIFIED MENTAL RETARDATION PROFESSIONAL), *including personnel from the county public health nursing agency.* The case manager shall consult with the client's physician, other health professionals or other persons as necessary to make this evaluation. The case manager, with the concurrence of the client or the client's legal representative, may invite other persons to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case. *The county board is authorized to determine the use of staff and the process for conducting screening team activities according to performance standards established by the commissioner under chapter 14.*

Sec. 15. Minnesota Statutes 1985 Supplement, section 256B.503, is amended to read:

256B.503 [RULES.]

To implement Laws 1983, chapter 312, article 9, sections 1 to 7, the commissioner shall promulgate emergency and permanent rules in accordance with sections 14.01 to 14.38. Rules adopted to implement Laws 1983, chapter 312, article 9, section 5, must (a) be in accord with the provisions of Minnesota Statutes, chapter 256E, (b) set standards for case management which include, encourage and enable flexible administration, (c) require the county boards to develop individualized procedures governing case management activities, (d) consider criteria promulgated under section 256B.092, subdivision 3, and the federal waiver plan, (e) identify cost implications to the state and to county boards, (AND) (f) require the screening teams to make recommendations to the county case manager for development of the individual service plan, *and (g) permit county boards to establish training and experience requirements for staff who perform services required by Laws 1983, chapter 312, article 9, section 5, subject to professional standards established in Minnesota Statutes and the code of federal regulations which apply to the people providing the services.*

The commissioner shall adopt permanent rules to implement this section by July 1, 1986. Emergency rules adopted under this section are effective until that date.

Sec. 16. Minnesota Statutes 1984, section 256E.08, subdivision 4, is amended to read:

Subd. 4. [CONTRACTS FOR SERVICES.] The county board may contract for community social services programs with a human services board, a multi-county board established by a joint powers agreement, other political subdivisions, or private organizations. The final approval of the community social ser-

vices plan required in section 256E.09 shall be made by the county board of each county. Nothing in this subdivision shall be construed to negate any collective bargaining unit agreements that are operative on July 1, 1979 between currently existing exclusive representatives and the county. *When contracting for services, the county board shall determine the vendor-required components of both the application for services and the individual service plan.*

Sec. 17. Minnesota Statutes 1984, section 256E.08, is amended by adding a subdivision to read:

Subd. 11. [EXEMPTION.] When there is a decrease in state or federal funds for the support of services specified in the community social services act, counties may but are not required to supplement funding to maintain the level of service.

Sec. 18. [466.131] [INDEMNIFICATION BY STATE.]

A municipality is an employee of the state for purposes of the indemnification provisions of section 3.736, subdivision 9, when the municipality is acting on behalf of the department of health and human services.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health and human services; controlling mandates; setting forth legislative purpose; requiring rulemaking note; expanding fiscal note; including county considerations in rulemaking; requiring public hearing for certain emergency rules; allowing substantial modification of proposed emergency rules; requiring periodic review of rules; requiring commissioner of human services to summarize proposed rules and consult with representative advisory committee; allowing county boards to establish qualifications and process to use in chemical dependency assessments; ensuring funds for utility recaps; allowing counties to modify screening processes; exempting counties from maintaining levels of service when funding is decreased; indemnifying counties; amending Minnesota Statutes 1984, sections 14.11, subdivision 1; 14.31; 145.915, by adding a subdivision; 245.69, by adding a subdivision; 254A.03, subdivision 3; 256.871, by adding a subdivision; 256E.08, subdivision 4, and by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 14.40; 256B.091, subdivision 4; 256E.092, subdivision 7; 256B.503; proposing coding for new law in Minnesota Statutes, chapters 3, 14, and 466."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 2333, A bill for an act relating to transportation; providing for use of county state-aid highway funds on highways providing access to outdoor recreation areas; providing that motor vehicles do not exceed length restrictions, whether unladen or with load; defining tandem axles; providing for weight restrictions on highways including market arteries; increasing tax on gasoline and special fuel; reducing complement of department of transportation; creating legislative transportation commission; appropriating money; amending Minnesota Statutes 1984, sections 162.06, subdivision 5; 169.81, subdivision 2; 169.825, subdivisions 8, 10, and by adding a subdivision; 169.832, subdivision 11, and by adding a subdivision; and 296.02, subdivision 1b.

Reported the same back with the following amendments:

Page 1, line 30, after "which" insert "*border and provide substantial access to an outdoor recreation unit as defined in section 86A.04 or which*"

Page 2, line 2, delete the new language

Page 2, line 3, delete "86A.04" and insert "*such a unit*"

Page 11, line 6, delete "*over*"

Page 11, line 7, delete "*a three-year period*"

Page 11, line 28, strike "following rates:"

Page 11, line 29, strike "(a)"

Page 11, line 35, delete the new language

Page 11, line 36, delete everything before the period and insert "*rate of 19 cents per gallon until June 30, 1987, and 17 cents per gallon thereafter*"

Page 12, line 1, strike "(b)"

Page 12, line 2, delete the new language

Page 12, line 3, delete the new language and strike the period

Page 12, line 9, delete everything after the period

Page 12, delete lines 10 and 11

Page 12, line 21, delete "January" and insert "July"

Page 12, line 23, delete "January" and insert "July" and delete "following" and insert "next odd-numbered"

Amend the title as follows:

Page 1, line 8, before "increasing" insert "temporarily"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2337, A bill for an act relating to the environment; amending Minnesota Statutes 1985 Supplement, sections 116.46, by adding a subdivision; and 116.48, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 116.48, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT INFORMATION.] Beginning January 1, 1986, and until July 1, 1987, a person who (DEPOSITS) *transfers the title to regulated substances (IN) to be placed directly into* an underground storage tank must inform the owner or operator in writing of the notification requirement of this section."

Amend the title as follows:

Page 1, lines 3 and 4, delete "sections 116.46, by adding a subdivision; and" and insert "section"

With the recommendation that when so amended the bill pass.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2344, A bill for an act relating to counties; setting conditions for St. Louis county to appoint a county administrator; amending Minnesota Statutes 1984, section 375A.06, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 375A.06, subdivision 5, is amended to read:

Subd. 5. [APPOINTMENT WITHOUT REFERENDUM.] Notwithstanding section 375A.12, a county board meeting the requirements of subdivision 1 (EXCEPT ST. LOUIS COUNTY) may without referendum appoint a county administrator as provided in this section.

Sec. 2. Minnesota Statutes 1984, section 383C.035, is amended to read:

383C.035 [UNCLASSIFIED CIVIL SERVICE.]

The officers and employees of such county and of any agency, board, or commission, supported in whole or in part by taxation upon the taxable property of such county or appointed by the judges of the district or probate court for such county, are hereby divided into the unclassified and classified service. The unclassified service shall comprise:

(a) All officers elected by popular vote or persons appointed to fill vacancies in such offices.

(b) Judges and receivers, referees, arbiters, court reporters, jurors, notaries public, and persons appointed by a court to make or conduct any special inquiry of a judicial and temporary character.

(c) Superintendent or principal administrative officer or comptroller of any separate department of county government which is now or hereafter created pursuant to law, who is directly responsible to the board of county commissioners or any other board or commission, as well as the county agricultural agents and the home demonstration agents under the control of the county extension committee.

(d) (MEMBERS OF THE TEACHING STAFF, SUPERVISORS AND PRINCIPALS IN THE EMPLOY OF THE SUPERINTENDENT OF COUNTY SCHOOLS.)

((E)) Members of nonpaid board, or commissioners appointed by the board of county commissioners or acting in an advisory capacity.

((F)) (e) Assistant county attorneys or special investigators in the employ of the county attorney.

((G)) (f) All common labor temporarily employed on an hourly basis.

((H)) (g) All inmate or patient help in county institutions.

((I)) (h) All physicians, dentists, registered nurses and medical laboratory technicians working under the direction of a licensed physician or dentist in any hospital or sanatorium operated by a commission or board of such county.

((J)) (i) All county commissioners' clerks appointed by the county board after the passage of sections 383C.03 to 383C.059; but nothing in sections 383C.03 to 383C.059 shall affect the civil service status of any person previously appointed and now holding such a position in the classified service of the county.

((K)) (j) A legislative lobbyist/grant coordinator appointed by the county board to act as legislative liaison with the St. Louis county legislative delegation and pursue legislative concerns and grant opportunities for the county, and the clerk for that position.

(k) *The county recorder.*

(l) *Any department head designated by the county board.*

The classified service shall include all other positions now existing and hereinafter created in the service of the county or any board or commission, agency, or offices of such county (, INCLUDING MINE INSPECTORS APPOINTED BY THE BOARD OF COUNTY COMMISSIONERS).

Sec. 3. Minnesota Statutes 1984, section 383C.136, is amended to read:

383C.136 [(TREASURER; ABOLITION) ORGANIZATION OF (OFFICE) OFFICES.]

In St. Louis county (ON THE EXPIRATION OF THE CURRENT TERM OF THE COUNTY TREASURER AND STARTING ON JANUARY 4, 1971), the duties and functions of the county treasurer shall be transferred to and be performed by the county auditor, and the office of county treasurer (SHALL BE) is abolished (AND CEASE TO EXIST FROM AND AFTER THAT DATE).

In St. Louis county, no person shall be elected after 1986 to succeed the county recorder. In 1991 the county board shall appoint a county recorder to serve at its discretion.

Sec. 4. [EFFECTIVE DATE.]

Pursuant to Minnesota Statutes, sections 645.023, subdivision 1, paragraph (b), section 1 of this act is effective without local approval.

After compliance with Minnesota Statutes, section 645.021, subdivision 3, by the St. Louis county board,

Section 2 of this act, except paragraph (1), takes effect January 1, 1987,

Section 2, paragraph (1) of this act takes effect January 1, 1989, and

Section 3 of this act takes effect January 1, 1990."

Delete the title and insert :

"A bill for an act relating to St. Louis county; making certain offices appointive; allowing the county board to assign certain offices to the unclassified service; amending Minnesota Statutes 1984, sections 375A.06, subdivision 5; 383C.035 and 383C.136."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2348, A bill for an act relating to retirement; making public employees retirement association membership optional for employees of county historical societies; amending Minnesota Statutes 1985 Supplement, section 353.01, subdivision 2a.

Reported the same back with the following amendments:

Page 2, line 9, delete "excepting" and insert "except"

Page 2, line 10, delete everything before the period and insert "employees enumerated in subdivision 2b, clause (u)"

Page 2, after line 10, insert:

“Sec. 2. Minnesota Statutes 1984, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of “public employee”:

(a) Persons employed for professional services where such service is incidental to regular professional duties.

(b) Election officers.

(c) Independent contractors and their employees.

(d) Patient and inmate help in governmental subdivision charitable, penal and correctional institutions.

(e) Members of boards, commissions, bands and others who serve the governmental subdivision intermittently.

(f) Employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of \$325 in any one calendar month, the department heads must then report all such employees for membership and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service.

(g) Part-time employees who receive monthly compensation not exceeding \$325, and part-time employees and elected officials whose annual compensation is stipulated in advance to be not more than \$3,900 per year, except that members shall continue their membership until termination of public service.

(h) Persons who first occupy an elected office after March 1, 1978, the compensation for which does not exceed \$325 per month.

(i) Emergency employees who are employed by reason of work caused by fire, flood, storm or similar disaster.

(j) Employees who by virtue of their employment are required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, except as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that this clause shall not prevent a person from contributing to the public employees retirement association and also belonging to or

contributing to another public pension fund for other service occurring during the same period of time.

(k) Police matrons employed in a police department of any city who are transferred to the jurisdiction of a joint city and county detention and corrections authority.

(l) Chaplains and nuns who have taken a vow of poverty as members of a religious order.

(m) Full-time students who are enrolled and are regularly attending classes at an accredited school, college or university; provided, no person employed full-time by a governmental subdivision shall be exempt under this paragraph.

(n) Resident physicians, medical interns and pharmacist interns who are serving in public hospitals.

(o) Appointed or elected officers, paid entirely on a fee basis, and who were not members on June 30, 1971.

(p) Nothing in Laws 1973, Chapter 753 shall be interpreted to impair or revoke any option exercised under Laws 1963, Chapter 793.

(q) Persons employed in subsidized on-the-job training, work experience or public service employment as enrollees under the federal comprehensive employment and training act from and 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 fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive 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 training and employment act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contributions in addition to the required employee contribution.

(r) Town, city or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$225 per month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.

(s) A person holding a part time adult supplementary vocational-technical school license who renders part time teaching

service in a vocational-technical school if (1) the service is incidental to the person's regular nonteaching occupation; and (2) the applicable vocational-technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year.

(t) A person exempt from licensure pursuant to section 125.031.

(u) *Employees of a county historical society whose board passes and files with the association a resolution exempting the employees from coverage in the association.*"

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, after "amending" insert "Minnesota Statutes 1984, section 353.01, subdivision 2b;"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 2356, A bill for an act relating to agricultural finance; renaming the agricultural resource loan guaranty board; providing powers; authorizing the board to participate in loans; appropriating money; amending Minnesota Statutes 1984, section 41A.02, subdivisions 3 and 6; Minnesota Statutes 1985 Supplement, sections 41A.01; 41A.02, subdivision 11; and 41A.05, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 41A; repealing Minnesota Statutes 1984, section 41A.06, subdivision 2.

Reported the same back with the following amendments:

Page 2, after line 13, insert:

"Sec. 3. Minnesota Statutes 1984, section 41A.02, subdivision 4, is amended to read:

Subd. 4. [AGRICULTURAL (RESOURCE LOAN GUARANTY) DEVELOPMENT FUND; (GUARANTY) DEVELOPMENT FUND.] "Agricultural (RESOURCE LOAN GUARANTY) development fund" or "(GUARANTY) development fund" means the fund created by section 41A.05."

Page 3, line 30, delete "*without*" and insert "*without*"

Page 3, line 36, delete "7" and insert "8"

Page 4, line 4, after the period insert "*If the participation loan is in an amount of \$500,000 or less,*"

Page 4, line 5, delete "*, provided that a loan*"

Page 4, delete line 6

Page 4, line 7, delete everything before the period

Page 4, line 14, strike "resource loan"

Page 4, line 15, strike "guaranty" and insert "*development*"

Page 4, line 23, strike "guaranty" and insert "*agricultural development*"

Page 5, line 11, strike "guaranty" and insert "*agricultural development*"

Page 5, line 15, strike "guaranty"

Page 5, line 21, strike "guaranty"

Page 6, delete lines 8 to 12 and insert:

"Sec. 12. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the phrase "agricultural resource loan guaranty fund" whenever it appears in Minnesota Statutes to "agricultural development fund" in the next and subsequent editions of the statutes."

Renumber the sections accordingly

Amend the title as follows:

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

Page 1, line 8, delete "subdivision" and insert "subdivisions 4 and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2358, A bill for an act relating to occupations and professions; providing for the regulation of the practice of chiropractic; providing grounds for license revocation; prescribing penalties; appropriating money; amending Minnesota Statutes 1984, sections 148.01, subdivision 1; 148.06, subdivision 1; 148.07, subdivision 2; 148.08, subdivision 3; 148.10; and 319A.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1984, section 148.101.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 148.06, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED; QUALIFICATIONS.] No person shall practice chiropractic in this state without first being licensed by the state board of chiropractic examiners. The applicant shall have earned at least one-half of all academic credits required for awarding of a baccalaureate degree from the University of Minnesota, or other university, college or community college of equal standing, in subject matter determined by the board, and taken a four-year resident course of at least eight months each in a school or college of chiropractic that is fully accredited by the council on chiropractic education (OR FULLY ACCREDITED BY AN AGENCY APPROVED BY THE UNITED STATES OFFICE OF EDUCATION OR THEIR SUCCESSORS). The board may recommend a two-year prechiropractic course of instruction to any university, college or community college which in its judgment would satisfy the academic prerequisite for licensure as established by this section.

An examination for a license shall be in writing and shall include testing in:

(a) The basic sciences including but not limited to anatomy, physiology, bacteriology, pathology, hygiene, and chemistry as related to the human body or mind;

(b) The clinical sciences including but not limited to the science and art of chiropractic, chiropractic physiotherapy, diagnosis, roentgenology and nutrition; and

(c) Professional ethics and any other subjects that the board may deem advisable.

The board may consider a valid certificate of examination from the National Board of Chiropractic Examiners as evidence

of compliance with the written examination requirements of this subdivision. The applicant shall be required to give practical demonstration in vertebral palpation, nerve tracing, adjusting and any other subject that the board may deem advisable. A license, counter-signed by the members of the board and authenticated by the seal thereof, shall be granted to each applicant who (CORRECTLY ANSWERS 75 PERCENT OF THE QUESTIONS PROPOUNDED) *qualifies* in each of the subjects required by this subdivision and meets the standards of practical demonstration established by the board. Each application shall be accompanied by a fee set by the board. The fee shall not be returned (IN THE EVENT OF FAILURE TO PASS,) but the applicant may, within one year, (PRESENT HIMSELF FOR) *submit* to examination without the payment of an additional fee. The board may grant a license to an applicant who holds a valid license to practice chiropractic issued by the appropriate licensing board of another state or country, provided the applicant meets the other requirements of this section and satisfactorily passes the practical examination before the board. *The burden of proof is on the applicant to demonstrate these qualifications or satisfaction of these requirements.*

Effective January 30, 1990, the applicant after graduation from an accredited chiropractic college shall successfully complete a nine-month residency program approved by the board as a condition for application for licensure.

The board shall employ the following criteria in determining whether a residency program shall be approved:

(a) The residency must enhance the knowledge and skill in the practice of chiropractic.

(b) The resident shall have available for use laboratory, X-ray, and physiotherapy equipment for training and diagnosis.

(c) The residency program must be administered by a college accredited by the Council on Chiropractic Education.

(d) The residency shall contain a minimum of 1,280 hours over not less than a nine-month time span of clinical instruction.

The resident before beginning the residency must complete all Council on Chiropractic Education accredited college clinic and academic requirements for graduation including:

(1) Satisfactorily completing two student clinic trimester and three public clinic trimesters.

(2) Be certified by the National Board of Chiropractic Examiners as passing both Part I and Part II of the written examinations.

The residency requirement purpose is to provide practical clinical training and experience. The resident evaluates and treats patients with a wide variety of health conditions under supervision in a clinic or institutional setting.

Sec. 2. Minnesota Statutes 1984, section 148.07, subdivision 2, is amended to read:

Subd. 2. [EXPENSES.] The expenses of administering sections 148.01 to (148.101) *148.105* shall be paid from the appropriation made to the state board of chiropractic examiners. Expenditures and revenues must be managed in accordance with the statewide accounting principles and requirements of the commissioner of finance.

Sec. 3. Minnesota Statutes 1984, section 148.08, subdivision 3, is amended to read:

Subd. 3. [RULES.] The board of chiropractic examiners shall promulgate rules necessary to administer sections 148.01 to (148.101) *148.105* to protect the health, safety, and welfare of the public, including rules governing the practice of chiropractic and defining any terms, whether or not used in sections 148.01 to (148.101) *148.105*, if the definitions are not inconsistent with the provisions of sections 148.01 to (148.101) *148.105*.

Sec. 4. Minnesota Statutes 1984, section 148.10, is amended to read:

148.10 [LICENSES REVOKED; NEW LICENSES.]

Subdivision 1. [GROUNDS.] The state board of chiropractic examiners may refuse to grant, or may revoke, suspend, condition, limit, restrict or qualify a license to practice chiropractic, or may cause the name of a person licensed to be removed from the records in the office of the clerk of the district court for:

(1) (THE PUBLISHING OR DISTRIBUTING, OR CAUSING TO BE PUBLISHED OR DISTRIBUTED, IN NEWS-PAPERS, MAGAZINES, DIRECTORIES, PAMPHLETS, POSTERS, CARDS, OR IN ANY OTHER MANNER BY ADVERTISEMENT, WHEREIN THE TERM "CURE" OR "GUARANTEE TO CURE" OR SIMILAR TERMS ARE USED; WHICH IS HEREBY DECLARED TO BE FRAUDULENT AND MISLEADING TO THE GENERAL PUBLIC;) *Advertising that is false or misleading, that violates a rule of the board, or that claims the cure of any condition or disease, or professional superiority to or greater skill than that possessed by another doctor of chiropractic.*

(2) The employment of fraud or deception in applying for a license or in passing the examination provided for in section

148.06 (;) or conduct which subverts or attempts to subvert the licensing examination process.

(3) The practice of chiropractic under a false or assumed name or the impersonation of another practitioner of like or different name (;).

(4) The conviction of a crime involving moral turpitude (;).

(5) *The conviction in any court of a felony or conviction, during the previous five years, of a felony reasonably related to the practice of chiropractic.*

(6) Habitual intemperance in the use of alcohol or drugs (;).

((6)) (7) Failure to pay the annual renewal license fee (;).

((7)) (8) Advanced physical or mental disability (;).

((8)) (9) The revocation or suspension of a license to practice chiropractic; or other disciplinary action against the licensee; or the denial of an application for a license by the proper licensing authority of another state, territory or country; or failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction.

((9)) (10) The violation of, or failure to comply with, the provisions of sections 148.01 to (148.101) 148.104, the rules of the state board of chiropractic examiners, or a lawful order of the board (;).

((10)) (11) Unprofessional conduct (; OR).

((11)) (12) Being unable to practice chiropractic with reasonable skill and safety to patients by reason of illness, professional incompetence, senility, drunkenness, use of drugs, narcotics, chemicals or any other type of material, or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills. If the board has probable cause to believe that a person comes within this clause, it shall direct the person to submit to a mental or physical examination. For the purpose of this clause, every person licensed under this chapter shall be deemed to have given his consent to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a person to submit to such examination when directed shall constitute an admission of the allegations against him, unless the failure was

due to circumstances beyond his control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A person affected under this clause shall at reasonable intervals be afforded an opportunity to demonstrate that he can resume the competent practice of chiropractic with reasonable skill and safety to patients.

In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.42, 144.651, or any other law limiting access to health data, obtain health data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that a doctor of chiropractic comes under subdivision 1, clause (12). The health data may be requested from a provider, as defined in section 144.335, subdivision 1, paragraph (b), an insurance company, or a government agency, including the department of human services. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider or entity giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

In any proceeding under this clause, neither the record of proceedings nor the orders entered by the board shall be used against a person in any other proceeding.

(13) Aiding or abetting an unlicensed person in the practice of chiropractic, except that it is not a violation of this clause for a doctor of chiropractic to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of his or her license or registration or delegated authority.

(14) Improper management of health records, including failure to maintain adequate health records, to comply with a patient's request made pursuant to section 144.335 or to furnish a health record or report required by law.

(15) Failure to make reports required by section 5, subdivision 2, or to cooperate with an investigation of the board as required by section 7, or the submission of a knowingly false report against another doctor of chiropractic under section 5.

(16) Splitting fees, or promising to pay a portion of a fee or a commission, or accepting a rebate.

(17) Revealing a privileged communication from or relating to a patient, except when otherwise required or permitted by law.

For the purposes of clause (2), conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (a) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (b) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (c) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

For the purposes of (CLAUSE) clauses (4) and (5), conviction (SHALL BE DEEMED TO INCLUDE A CRIMINAL PROCEEDING IN WHICH A FINDING OR VERDICT OF GUILT IS MADE OR RETURNED BUT THE ADJUDICATION OF GUILT IS EITHER WITHHELD OR NOT ENTERED) as used in these subdivisions includes a conviction of an offense that if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

For the purposes of clauses (4) (AND), (5), and (6), a copy of the judgment or proceeding under seal of the clerk of the court or of the administrative agency which entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

For the purposes of clause ((10)) (11), unprofessional conduct means any unethical, deceptive or deleterious conduct or practice harmful to the public, any departure from or the failure to conform to the minimal standards of acceptable chiropractic practice, or a willful or careless disregard for the health, welfare or safety of patients, in any of which cases proof of actual injury need not be established. Unprofessional conduct shall include, but not be limited to, the following acts of a chiropractor:

(a) Gross ignorance of, or incompetence in, the practice of chiropractic;

(b) (MAKING SUGGESTIVE, LEWD, LASCIVIOUS OR IMPROPER ADVANCES TO A PATIENT) Engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;

- (c) Performing unnecessary services;
- (d) Charging a patient an unconscionable fee or charging for services not rendered;
- (e) Directly or indirectly engaging in threatening, dishonest, or misleading fee collection techniques;
- (f) Perpetrating fraud upon patients, third party payers, or others, relating to the practice of chiropractic (; AND), *including violations of the Medicare or Medicaid laws or state medical assistance laws; or*
- (g) Any other act that the board by rule may define.

Subd. 2. [ISSUANCE FOLLOWING REFUSAL, REVOCATION OR CANCELATION.] The state board of chiropractic examiners may, at any time within two years of the refusal or revocation or cancelation of a license under this section, by a majority vote, issue a new license or grant a license to the person affected, restoring him to, or conferring upon him, all the rights and privileges of, and pertaining to, the practice of chiropractic, as defined and regulated by sections 148.01 to 148.10. Any person to whom such have been restored shall pay a fee set by the board upon issuance of a new license.

Subd. 3. [REPRIMAND; PENALTIES; PROBATION.] In addition to the other powers granted to the board under this chapter, the board may, in connection with any person whom the board, after a hearing, adjudges unqualified or whom the board, after a hearing, finds to have performed one or more of the acts described in subdivision 1:

- (a) Publicly reprimand or censure the person;
- (b) Place the person on probation for the period and upon the terms and conditions that the board may prescribe; (AND)
- (c) Require payment of all costs of proceedings resulting in the disciplinary action; *and*
- (d) *Impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the doctor of chiropractic of any economic advantage gained by reason of the violation charged or to reimburse the board for the cost of the investigation and proceeding.*

Subd. 4. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a person has violated a statute or rule

which the board is empowered to enforce and continued practice by the person would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the person, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the Administrative Procedure Act. The person shall be provided with at least 20 days notice of any hearing held pursuant to this subdivision.

Subd. 5. [EFFECT OF APPEAL.] A suspension, revocation, condition, limitation, qualification, or restriction of a license shall be in effect pending determination of an appeal unless the court, upon petition and for good cause shown, shall otherwise order.

A license to practice chiropractic is automatically suspended if (1) a guardian of the person of a licensee is appointed by order of a probate court pursuant to sections 525.54 to 525.61, for reasons other than the minority of the licensee; or (2) the licensee is committed by order of a probate court pursuant to chapter 253B or sections 526.09 to 526.11. The license remains suspended until the licensee is restored to capacity by a court and, upon petition by the licensee, the suspension is terminated by the board after a hearing.

Sec. 5. [148.102] [REPORTS OF STATE OR LOCAL SOCIETIES.]

Subdivision 1. [REQUIREMENT.] A state or local chiropractic society shall report to the board any termination, revocation, or suspension of membership or any other disciplinary action taken against a doctor of chiropractic. If the society has received a complaint which might be grounds for discipline under section 148.10 against a member doctor of chiropractic on which it has not taken any disciplinary action, the society shall report the complaint and the reason why it has not taken action on it or shall direct the complainant to the board of chiropractic examiners.

Subd. 2. [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 section 148.10 by any doctor of chiropractic including any conduct indicating that the doctor of chiropractic may be incompetent, or may have engaged in unprofessional conduct, or may be physically unable to engage safely in the practice of chiropractic. No report shall be required if the information was obtained in the course of a patient relationship if the patient is a doctor of chiropractic and the treating health professional successfully counsels the doctor of chiropractic to limit or withdraw from practice to the extent required by the impairment.

Subd. 3. [INSURERS.] Two times each year each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to chiropractors shall submit to the board a report concerning the chiropractors against whom malpractice settlements or awards have been made to the plaintiff. The report must contain at least the following information:

(1) the total number of malpractice settlements or awards made to the plaintiff;

(2) the date the malpractice settlements or awards to the plaintiff were made;

(3) the allegations contained in the claim or complaint leading to the settlements or awards made to the plaintiff;

(4) the dollar amount of each malpractice settlement or award;

(5) the regular address of the practice of the doctor of chiropractic against whom an award was made or with whom a settlement was made; and

(6) the name of the doctor of chiropractic against whom an award was made or with whom a settlement was made.

The insurance company shall, in addition to the above information, report to the board any information it possesses which tends to substantiate a charge that a doctor of chiropractic may have engaged in conduct violating section 148.10 and this section.

Subd. 4. [COURTS.] The clerk of district court or any other court of competent jurisdiction shall report to the board any judgment or other determination of the court which adjudges or includes a finding that a doctor of chiropractic is mentally ill, mentally incompetent, guilty of a felony, guilty of an abuse or fraud, appoints a guardian of the doctor of chiropractic pursuant to sections 525.54 to 525.61 or commits a doctor of chiropractic pursuant to chapter 253B or sections 526.09 to 526.11.

Subd. 5. [SELF-REPORTING.] A doctor of chiropractic shall report to the board any action concerning himself or herself which would require that a report be filed with the board by any person, health care facility, business, or organization pursuant to subdivision 4.

Subd. 6. [DEADLINES; FORMS.] Reports required by subdivisions 1 to 5 must be submitted not later than 30 days after the occurrence of the reportable event or transaction. The board may provide forms for the submission of reports required by this section, may require that reports be submitted on the forms pro-

vided, and may adopt rules necessary to assure prompt and accurate reporting.

Subd. 7. [SUBPOENAS.] The board may issue subpoenas for the production of any reports required by subdivisions 1 to 5 or any related documents.

Sec. 6. [148.103] [IMMUNITY FOR REPORTING OR INVESTIGATING.]

Subdivision 1. [REPORTING.] Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting a report to the board pursuant to section 5 or for otherwise reporting to the board violations or alleged violations of section 148.10. The reports are private.

Subd. 2. [INVESTIGATION.] Members of the board and persons employed by the board or engaged in the investigation or prosecution of violations and in the preparation and management of charges of violations of sections 148.01 to 148.105 on behalf of the board are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under sections 148.01 to 148.105.

Sec. 7. [148.104] [COOPERATION DURING INVESTIGATIONS.]

A doctor of chiropractic who is the subject of an investigation by or on behalf of the board shall cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation and providing copies of patient health records, as reasonably requested by the board, to assist the board in its investigation.

Sec. 8. [148.105] [VIOLATION.]

Subdivision 1. [GENERALLY.] Any person who practices, or attempts to practice, chiropractic manipulation, or who uses any of the terms or letters "Doctors of Chiropractic," "Chiropractor," "D.C.," or any other title or letters under any circumstances as to lead the public to believe that the persons who so use the terms are engaged in the practice of chiropractic, without having complied with the provisions of sections 148.01 to 148.104, are guilty of a gross misdemeanor; and, upon conviction, fined not less than \$1,000 nor more than \$10,000 or be imprisoned in the county jail for not less than 30 days nor more than six months or punished by both fine and imprisonment, in the discretion of the court. It is the duty of the county attorney of the county in

which the person practices to prosecute. Nothing in this section shall be considered as interfering with any person:

(a) licensed by a health related licensing board, as defined in section 214.01, subdivision 2, including licensed psychologists with respect to the use of hypnosis;

(b) registered by the commissioner of health pursuant to section 214.13; or

(c) engaged in other methods of healing regulated by law in the state of Minnesota; provided that the person confines activities within the scope of the license or other regulation and does not practice or attempt to practice chiropractic.

Subd. 2. [EXCEPTIONS.] The following persons shall not be in violation of subdivision 1:

(1) a student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized chiropractic college; and

(2) 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 institution approved for training by the board.

Sec. 9. Minnesota Statutes 1984, section 319A.02, subdivision 2, is amended to read:

Subd. 2. "Professional service" means personal service rendered by a professional pursuant to a license or certificate issued to him by the state of Minnesota to practice medicine and surgery pursuant to sections 147.01 to 147.29, chiropractic pursuant to sections 148.01 to (148.101) 148.105, nursing pursuant to sections 148.171 to 148.285, optometry pursuant to sections 148.52 to 148.62, psychology pursuant to sections 148.88 to 148.98, dentistry pursuant to sections 150A.01 to 150A.12, pharmacy pursuant to sections 151.01 to 151.40, podiatry pursuant to sections 153.01 to 153.15, veterinary medicine pursuant to sections 156.001 to 156.14, architecture, engineering, surveying and landscape architecture pursuant to sections 326.02 to 326.15, accountancy pursuant to sections 326.17 to 326.23, or law pursuant to sections 481.01 to 481.17, or pursuant to a license or certificate issued to him by another state pursuant to similar laws.

Sec. 10. [APPROPRIATION.]

The sum of \$120,000 is appropriated from the special revenue account for health boards in the general fund to the state board

of chiropractic examiners for the purposes of funding the board's operation.

Fees assessed shall be adjusted to provide for this appropriation.

The appropriation is available until June 30, 1987.

Sec. 11. [REPEALER.]

Minnesota Statutes 1984, section 148.101, is repealed."

Amend the title as follows :

Page 1, line 6, delete "148.01, subdivision 1;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred :

H. F. No. 2372, A bill for an act relating to agriculture; creating a rural economy adjustment board; providing for the issuance of bonds or other obligations by the board and the loan of proceeds to counties for grants or loans to farmers to repay or refinance existing indebtedness; authorizing the levy and collection of taxes for the repayment of loans by counties; permitting the acquisition of conservation easements in agricultural property; proposing coding for new law in Minnesota Statutes, chapter 41A.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

"Section 1. [41B.01] [CITATION; PURPOSE.]

Subdivision 1. Sections 1 to 24 shall be known as and may be cited as the "Minnesota Rural Finance Administration Law of 1986."

Subd. 2. Sections 1 to 24 create and establish the Minnesota Rural Finance Administration and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the authority of article XI, section 5, clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit

on real estate security. The purpose of the program and of the bonds issued to finance or provide security for the program is to purchase participation interests in loans to be made available by agricultural lenders to farmers in order to restructure existing debt and to make available additional credit to farmers who own or purchase agricultural properties on terms and conditions not otherwise available from other credit sources. It is hereby found and declared that there presently exists in the state economic conditions which have severely adversely affected the economic viability of farms to the detriment of the rural economy and to the detriment of the economy of the state of Minnesota as a whole. It is further hereby found and declared that as a result of public agricultural policies, agricultural market conditions, and other causes, the condition of the farm economy of the state of Minnesota is such as to jeopardize the continued existence and successful operation of farms in this state, necessitating the establishment of the program authorized hereby to provide new sources of credit on favorable terms and conditions. It is further found and declared that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by assuring the viability of farm operations, by preventing erosion of the tax base in rural areas, by reducing foreclosures on farm property, and by enhancing the financial stability of farmers and of the businesses which depend on farmers as customers. It is further found and declared that in establishing a Minnesota rural finance administration and in authorizing the programs provided for herein, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of improving and otherwise promoting their health, welfare, and prosperity and that the Minnesota rural finance administration, as created and established, is empowered to act on behalf of the people of the state of Minnesota in serving this public purpose for the benefit of the general public.

Sec. 2. [41B.02] [DEFINITIONS.]

Subdivision 1. For the purposes of sections 1 to 24 the terms defined in this section shall have the meanings ascribed to them.

Subd. 2. "Administration" means the Minnesota Rural Finance Administration created by sections 1 to 24.

Subd. 3. "Eligible borrower" means a person or entity described in section 4, subdivision 8, which is determined by the administration to be eligible to receive a qualified agricultural loan.

Subd. 4. "Farm" means real property, substantially all of which is devoted to "agricultural use" as defined in section 40A.02, subdivision 3.

Subd. 5. "Eligible agricultural lender" means an entity of the kind described in section 4, subdivision 7, which enters into an agreement with the administration providing for the purchase by the administration of participation interests in eligible agricultural loans originated and serviced by the qualified agricultural lender.

Subd. 6. "Qualified agricultural loan" means a loan to an eligible borrower made by an eligible agricultural lender which the administration purchases or in which the administration purchases a participation interests.

Subd. 7. "Eligible security" means real estate constituting a farm. Eligible security shall also include any tangible personal property in which an eligible borrower grants a security interest in favor of an eligible agricultural lender.

Subd. 8. "Bonds" means bonds, notes, or other obligations issued by the administration. For the purposes of section 19, "bonds" shall also include bonds or other obligations issued by the state.

Subd. 9. "Security account" means the fund established as provided in section 19, subdivision 5.

Sec. 3. [41B.03] [RURAL FINANCE ADMINISTRATION.]

Subdivision 1. There is created a public body corporate and politic to be known as the "Minnesota Rural Finance Administration," which shall perform the governmental functions and exercise the sovereign powers delegated to it in this act in furtherance of the public policies and purposes declared in section 1. The board of the administration shall consist of the commissioner of agriculture, the state auditor, and five public members appointed by the governor with advice and consent of the senate. No more than one public member shall reside in any one of the development regions established under the provisions of sections 462.381 to 462.396 and no public member shall reside within the metropolitan area as defined in section 473.02, subdivision 5. Each member shall hold office until a successor has been appointed and has qualified. A certificate or appointment or reappointment of any member shall be conclusive evidence of the due and proper appointment of the member.

Subd. 2. The membership terms, compensation, removal of members, and filling of vacancies for the public members of the administration shall be as provided in section 15.0575.

Subd. 3. The chairman of the board shall be designated by the governor from among the public members appointed. The vice-chairman of the board shall be the commissioner of agriculture.

Subd. 4. The management and control of the administration shall be vested solely in the board in accordance with sections 1 to 24.

Subd. 5. The powers of the administration shall be vested in the members in office from time to time. A majority of the members of the administration constitutes a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, notwithstanding the existence of any vacancies. Action may be taken by the administration upon a vote of a majority of the members present.

Subd. 6. The administration shall be under the administrative control of an executive director. The executive director shall be appointed by the governor under the provisions of section 15.06. The executive director may appoint a deputy director. The executive director may further appoint such permanent and temporary employees as he deems necessary subject to the approval of the commissioner of employee relations. All permanent employees of the administration, except the executive director, deputy director, and additional positions established pursuant to section 43A.08, subdivision 1a are in the classified civil service. Notwithstanding section 16A.752 or any other provision of law to the contrary, any approved complement established by law for the agency shall not be reduced as a result of vacancies in approved positions. No additional deputy commissioner positions may be created.

Subd. 7. The members and officers of the administration shall not be liable personally, either jointly or severally, for any debt or obligation created or incurred by the administration.

Sec. 4. [41B.04] [LOAN PARTICIPATION PROGRAM; SPECIFIC POWERS AND DUTIES OF THE ADMINISTRATION.]

Subdivision 1. The administration shall have the specific powers and duties set forth in this section.

Subd. 2. The administration shall implement a program to purchase qualified agricultural loans or to purchase loan participation interests in qualified agricultural loans in either case made by eligible agricultural lenders to eligible borrowers. Each such purchase shall be made only upon determination by or on behalf of the administration that the loan is a qualified agricultural loan.

Subd. 3. The emergency and permanent rules adopted as provided in section 7 shall comply with the following criteria:

(a) Each loan shall be for the purpose of developing the state's agricultural resources and shall be an extension of credit

on real estate security. The loan may be secured by eligible security in addition to real estate. The security interests granted by the eligible borrower shall be senior and prior to any other security interest in the assets so pledged.

(b) No loan shall be made to finance activities of the borrower which are not an agricultural use as defined in section 40A.02, subdivision 3.

(c) A loan or participation interest therein may be purchased by the administration only if the eligible agricultural lender has determined and has certified to the administration that the borrower is an eligible borrower who has the reasonable ability to make timely payment of principal and interest on the loan when due over the term of the loan. The eligible agricultural lender shall further certify to the administration that the loan is a qualified agricultural loan.

Subd. 5. The administration shall exercise its best efforts to assure that credit made available through the loan program is made available throughout the agricultural areas of the state, and that the number or amount of loans are not unduly concentrated in any one area of the state.

Subd. 6. The administration shall exercise its best efforts to assure that the program provides the maximum feasible benefits to as many eligible borrowers as is reasonably possible.

Subd. 7. Any bank, credit union, savings and loan association chartered by the state or federal government, unit of the farm credit system, the federal deposit insurance corporation, the federal savings and loan insurance corporation, insurance company, fund or other financial institution doing business as an agricultural lender within the state shall be eligible for consideration as an eligible agricultural lender if the administration determines that such lender has sufficient personnel and other resources to efficiently and properly originate and service the qualified agricultural loans. Each such eligible agricultural lender shall enter into one or more agreements with the administration providing for the origination and servicing of qualified agricultural loans on such terms and conditions as the administration shall determine to be appropriate.

Subd. 8. An eligible borrower shall be a state resident or domestic family farm corporation as defined in section 500.24, subdivision 2, which operates a farming enterprise within the state consisting of real estate in agricultural use as defined in section 40A.02.

Subd. 9. Participation interests shall not be purchased in loans made with respect to farms located within the counties of

Ramsey, Washington, Dakota, Hennepin, Anoka, Carver, or Scott.

Subd. 10. The interest rate per annum on the loan, or portion thereof represented by the participation interest purchased by the administration, shall be that rate of interest determined by the administration to be necessary to provide for the timely payment of principal and interest when due on bonds or other obligations issued by the administration, and to provide for the reasonable and necessary costs of issuing, carrying, administering, and securing such bonds or notes and to pay the costs incurred and to be incurred by the administration in the implementation of the program. The interest rate per annum borne by any portion of a loan retained by the eligible agricultural lender shall be that rate of interest determined by the administration to be necessary to secure the eligible agricultural lender's participation in the program, provided that such interest rate shall not exceed two percent in excess of the eligible agricultural lender's cost of funds. The administration may specify the points, fees, and other charges which the eligible agricultural lender may charge to the eligible borrower.

Subd. 11. The administration may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of loans or participation interests therein, provided that such agreements shall provide that the administration will only purchase loans or participation interests therein pursuant to normal procedure, but provided further that the administration may provide in such agreement for special procedures or requirements designed to meet specific conditions or requirements.

Subd. 12. The participation interest in any specific loan purchased by the administration shall not exceed an 85 percent interest. The administration may provide in agreements with eligible agricultural lenders for the purchase of participation interests in a lesser percentage.

Subd. 13. The administration shall enter into agreements with eligible agricultural lenders requiring that payments of principal and interest made by eligible borrowers under each loan shall be applied by the eligible agricultural lender to reduce the portion of the loan purchased by the administration and the portion of the loan retained by the lender on a proportionate basis, and the portion of the loan retained by the lender shall not in any event receive preferential treatment. Agreements with eligible agricultural lenders may further provide that any partial payment made by a borrower shall be applied to payment of amounts due on the portion of the loan purchased by the administration prior to application of such payment to amounts due on the portion of the loan retained by the lender. The administration may enter into agreements with eligible agricultural lenders providing that proceeds of the

enforcement or foreclosure of qualified agricultural loans shall be applied to payment of amounts due on the portion of the loan purchased by the administration prior to application of such proceeds to payment of amounts due on any portion of the loan retained by the lender.

Subd. 14. The administration may enter into agreements with qualified agricultural lenders, insurance companies, or others insuring or guaranteeing payment of qualified agricultural loans or any portion thereof.

Subd. 15. Financial information, including but not limited to credit reports, financial statements, and net worth calculations, received or prepared by the administration regarding any administration loan or grant and the name of each individual who is the recipient of a loan are private data on individuals, pursuant to section 13.02, subdivision 12.

Sec. 5. [41B.05] [GENERAL POWERS OF THE ADMINISTRATION.]

Subdivision 1. For the purpose of exercising the specific powers granted in section 4 and effectuating the other purposes of sections 1 to 24 the administration shall have the general powers granted in this section.

Subd. 2. It may sue and be sued.

Subd. 3. It may have a seal and alter the same at will.

Subd. 4. It may make, and from time to time, amend and repeal rules and regulations not inconsistent with the provisions of sections 1 to 24.

Subd. 5. It may acquire, hold, and dispose of personal property for its corporate purposes.

Subd. 6. It may enter into agreements or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization.

Subd. 7. It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.

Sec. 6. [41B.06] [ADDITIONAL POWERS AND DUTIES OF THE ADMINISTRATION.]

Subdivision 1. In addition to the powers granted in sections 4 and 5, the administration shall have the further powers granted in this section.

Subd. 2. It may provide general technical services related to rural finance.

Subd. 3. It may provide general consultative assistance services related to rural finance, and shall make available technical assistance to potential lenders and applicants to encourage applications for loans.

Subd. 4. It may promote research and development in matters related to rural finance.

Subd. 5. It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.

Subd. 6. It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the administration will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

Subd. 7. It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

Subd. 8. It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

Subd. 9. It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of administration resources and assistance within a region in cooperation with county and multicounty authorities.

Subd. 10. It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 1 to 24 and

to carry out the objectives of sections 1 to 24 and may pay for the services from administration funds.

Subd. 11. It may establish cooperative relationships with counties to develop priorities for the use of administration resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

Sec. 7. [41B.07] [RULES.]

The administration may adopt emergency and permanent rules for the efficient administration of the programs authorized by this act. The emergency rules need not be adopted in compliance with chapter 14 and are effective for 360 days or until the permanent rules are adopted, whichever occurs first. The emergency rules are effective upon adoption by the agency and shall be published in the State Register as soon thereafter as possible.

Sec. 8. [41B.08] [REVENUE BONDS; PURPOSES, TERMS, APPROVAL.]

Subdivision 1. The administration from time to time may issue its negotiable bonds in such principal amount as, in the opinion of the administration, shall be necessary to provide sufficient funds for achieving its purposes including the making of qualified agricultural loans or the purchase of interests therein, the payment of interest on bonds of the administration, the establishment of reserves to secure such bonds, and the payment of all other expenditures of the administration incident to and necessary or convenient to carry out its corporate purposes and powers. Bonds of the administration may be issued as bonds or notes or in any other form authorized by law.

Subd. 2. The administration from time to time may issue bonds for the purpose of refunding any bonds of the administration then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the redemption date next succeeding the date of delivery of such refunding bonds. The proceeds of any such refunding bonds may, in the discretion of the administration, be applied to the purchase or payment at maturity of the bonds to be refunded, or to the redemption of such outstanding bonds on the redemption date next succeeding the date of delivery of such refunding bonds and may, pending such application, be placed in escrow to be applied to such purchase, retirement, or redemption. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations issued or guaranteed by the state or the United States or by any agency or instrumentality thereof, or in certificates of deposit or time deposits secured in such manner as the administration shall determine, maturing at such time or times as shall be appropriate to assure the prompt payment of the principal of and interest and redemption

premiums, if any, on the bonds to be refunded. The income earned or realized on any such investment may also be applied to the payment of the bonds to be refunded. After the terms of the escrow have been fully satisfied, any balance of such proceeds and any investment income may be returned to the administration for use by it in any lawful manner. All refunding bonds issued under the provisions of this subdivision shall be issued and secured in the manner provided by resolution of the administration.

Subd. 3. All bonds issued hereunder shall be negotiable investment securities within the meaning and for all purposes of the uniform commercial code, subject only to any provisions of the bonds and notes for registration. All bonds so issued may be either general obligations of the administration, secured by its full faith and credit, and payable out of any money, assets, or revenues of the administration, subject to the provisions of resolutions or indentures pledging and appropriating particular money, assets, or revenues to particular bonds, or limited obligations of the administration not secured by its full faith and credit, and payable solely from specified sources or assets.

Subd. 4. No bonds shall be issued unless a rating of "A" or better has been awarded to the bonds by a national bond rating agency.

Sec. 9. [41B.09] [REVENUE BONDS; RESOLUTIONS AUTHORIZING, ADDITIONAL TERMS, SALE.]

The bonds of the administration shall be authorized by a resolution or resolutions adopted by the administration, shall bear such date or dates, shall mature at such time or times, shall bear interest at such rate or rates, be in such denominations, be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States, at such place or places within or without the state, and be subject to such terms of redemption or purchase prior to maturity as such resolutions or certificates may provide. If, for any reason, whether existing at the date of issue of any bonds or at the date of making or purchasing any loan or securities from the proceeds or thereafter, the interest on any bonds shall be or become subject to federal income taxation, this shall not impair or affect the validity or the provisions made for the security of the bonds. The administration may make such covenants and take or cause to be taken such actions as are in its judgment necessary or desirable to comply with conditions established by federal law or regulations for the exemption of interest on its obligations. The administration may refrain from compliance with such conditions if in its judgment this would serve the purposes and policies set forth in this chapter with respect to any particular issue of bonds, unless this would violate covenants made by the administration. No bond issued as a note shall mature more than ten

years from its date or from the date of any note refunded thereby. The maximum maturity of any bond, whether or not issued for the purpose of refunding, shall be 50 years from its date. The bonds of the administration may be sold at public or private sale, at such price or prices as the administration shall determine; provided that the underwriting discount, spread, or commission paid or allowed to the underwriters of the bonds shall be an amount not in excess of the amount determined by the administration to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters.

Sec. 10. [41B.10] [REVENUE BONDS; OPTIONAL RESOLUTION AND CONTRACT PROVISIONS.]

Subdivision 1. Any resolution authorizing any bonds or any issue thereof may contain provisions, which shall be a part of the contract with the holders thereof, as to the matters referred to in this section.

Subd. 2. It may pledge or create a lien on all or any part of the money or property of the administration and any money held in trust or otherwise by others to secure the payment of the bonds or of any issue thereof, subject to such agreements with bondholders as may then exist.

Subd. 3. It may provide for the custody, collection, securing, investment, and payment of any money of the administration.

Subd. 4. It may set aside reserves or sinking funds and provide for the regulation and disposition thereof and may create other special funds into which any money of the administration may be deposited.

Subd. 5. It may limit the loans and securities to which the proceeds of sale of bonds may be applied and may pledge repayments thereon to secure the payment of the notes or bonds or of any issue thereof.

Subd. 6. It may limit the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds.

Subd. 7. It may prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given.

Subd. 8. It may vest in a trustee or trustees such property, rights, powers, and duties in trust as the administration may determine, which may include any or all of the rights, powers,

and duties of the bondholders, or may limit the rights, powers, and duties of such trustee.

Subd. 9. It may define the acts or omissions to act which shall constitute a default in the obligations and duties of the administration and may provide for the rights and remedies of the holders of bonds in the event of such default, and provide any other matters of like or different character, consistent with the general laws of the state and other provisions of this act, which in any way affect the security or protection of the bonds and the rights of holders thereof.

Sec. 11. [41B.11] [PLEDGES.]

Any pledge made by the administration shall be valid and binding from the time the pledge is made, the money or property so pledged and thereafter received by the administration shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the administration, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

Sec. 12. [41B.12] [REVENUE BONDS; NONLIABILITY OF INDIVIDUALS.]

Neither the members of the administration nor any person executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Sec. 13. [41B.13] [REVENUE BONDS; PURCHASE AND CANCELLATION BY ADMINISTRATION.]

The administration, subject to such agreements with bondholders as may then exist, shall have power out of any funds available therefor to purchase bonds of the administration, which shall thereupon be canceled, at a price not exceeding (a) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the bonds are not redeemable, the redemption price applicable on the first date after such purchase upon which the bonds become subject to redemption plus accrued interest to such date.

Sec. 14. [41B.14] [REVENUE BONDS; NONLIABILITY OF STATE.]

The state of Minnesota shall not be liable on bonds of the administration issued under section 8 and such bonds shall not

be a debt of the state. The bonds shall contain on the face thereof, a statement to such effect.

Sec. 15. [41B.15] [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

The state pledges and agrees with the holders of any bonds issued under section 8, that the state will not limit or alter the rights vested in the administration to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of the holders until the bonds, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The administration is authorized to include this pledge and agreement of the state in any agreement with the holders of such bonds.

Sec. 16. [41B.16] [SECURITY ACCOUNT; DEFAULT IN PAYMENTS; APPOINTMENT OF TRUSTEE.]

Subdivision 1. Upon determining that a default may occur in the payment of principal or interest on any issue of bonds issued under section 8, or if any debt service reserve fund established in connection with such bonds is drawn upon because the revenues of the program are not then sufficient to make any payment of the principal or interest on such bonds, the administration shall certify such facts to the commissioner of finance and shall request that the commissioner of finance transfer from the security account established under section 19, subdivision 5, to such accounts or funds as may be designated by the administration such amount as may be required to cure such deficiency.

Subd. 2. If the administration defaults in the payment of principal or interest on any issue of bonds after the same shall become due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or if the administration fails or refuses to comply with the provisions of this chapter, or defaults in any agreement made with the holders of any issue of bonds, the holders of 25 percent in aggregate principal amount of the bonds of such issue then outstanding may appoint a trustee to represent the holders of such bonds, unless the bonds are issued under an indenture made and entered into by the administration with a designated trustee.

Sec. 17. [41B.17] [POWERS AND DUTIES OF TRUSTEE.]

Subdivision 1. The trustee designated in any indenture or resolution securing an issue of bonds, or a trustee appointed pursuant to section 16, subdivision 2, may, and upon written request of the holders of 25 percent in principal amount of such

notes or bonds then outstanding shall, in the trustee's own name, subject to the provisions of such indenture or resolution:

(a) enforce all rights of the bondholders, including the right to require the administration to collect fees, charges, interest, and payments on loans or interests therein held by the administration and eligible securities purchased by it adequate to carry out any agreement as to, or pledge of, such fees, charges, and payments, and to require the administration to carry out any other agreements with the holders of such notes or bonds and to perform its duties under this chapter;

(b) bring suit upon such bonds;

(c) require the administration to account as if it were the trustee of any express trust for the holders of such bonds;

(d) enjoin any acts or things which may be unlawful or in violation of the rights of holders of such bonds; or

(e) declare all such bonds due and payable, and if all defaults shall be made good, then, with the consent of the holders of 25 percent of the principal amount of such bonds then outstanding, the trustee may annul such declaration and consequences.

Subd. 2. In addition to the powers specifically granted herein, the trustee shall have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.

Subd. 3. The venue of any action or proceedings brought by a trustee under sections 1 to 24, shall be in Ramsey county. Before declaring the principal of bonds due and payable, the trustee shall first give 30 days notice in writing to the governor, the administration, and the state treasurer.

Sec. 18. [41B.18] [REVENUE BOND FUND; REPORTS.]

Subdivision 1. The administration may create and establish a special fund or funds for the security of one or more or all series of its bonds, which funds shall be known as debt service reserve funds. The administration may pay into each debt service reserve fund:

(a) any money appropriated by the state only for the purposes of such fund;

(b) any money transferred from the security fund for the purposes of such fund;

(c) any proceeds of sale of bonds to the extent provided in the resolution or indenture authorizing the issuance thereof;

(d) any funds directed to be transferred by the administration to such debt service reserve fund; and

(e) any other money made available to the administration only for the purpose of such fund from any other source or sources.

Subd. 2. The money held in or credited to each debt service reserve fund, except as provided in this section, shall be used solely for the payment of the principal of bonds of the administration as the same mature, the purchase of such bonds, the payment of interest thereon, or the payment of any premium required when such bonds or notes are redeemed before maturity; provided, that money in any such fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of the fund to less than the amount which the administration shall determine to be reasonably necessary for the purposes of the fund, except for the purpose of paying principal or interest due on bonds secured by the fund, for the payment of which other money of the administration is not available.

Subd. 3. If the administration shall create and establish a debt service reserve fund for the security of any series of bonds, it shall not issue any additional bonds which are similarly secured if the amount of any of the debt service reserve funds at the time of such issuance does not equal or exceed the minimum amount, if any, required by the resolution creating such fund, unless the administration shall deposit in each such fund at the time of such issuance, from the proceeds of the bonds or otherwise, an amount which, together with the amount then in the fund, will not be less than the minimum amount so required.

Subd. 4. To the extent consistent with the resolutions and indentures securing outstanding bonds, the administration may, at the close of any fiscal year, transfer to any other fund or account from any debt service reserve fund, any excess in that fund over the amount deemed by the administration to be reasonably necessary for the purpose of the fund. Any such excess shall be transferred first to the security fund to the extent of any prior withdrawals therefrom which have not previously been restored to the security fund.

Subd. 5. Nothing in this section shall be construed to limit the right of the administration to create and establish by resolution or indenture such other funds or security in addition to debt service reserve funds as may be necessary or desirable in connection with any bonds or programs.

Subd. 6. The administration shall also submit a biennial report of its activities, projected activities, receipts, and expenditures for the next biennium, to the governor and the legislature on or before January 15 in each odd-numbered year. The report shall include the distribution of money under each administration program by county. In addition, the report shall include the cost to the administration of the issuance of its bonds for each issue in the biennium.

Subd. 7. All of the books and records of the administration shall be subject to audit by the legislative auditor in the manner prescribed for other agencies of state government. The administration is authorized also to employ and to contract in its resolutions and indentures for the employment of public accountants for the audit of books and records pertaining to any fund or funds.

Sec. 19. [14B.19] [GENERAL OBLIGATION BONDS.]

Subdivision 1. [PROCEDURE.] For the purpose of developing the state's agricultural resources by providing for the extension of credit on real estate security and to assure the timely payment of the principal of and interest on the bonds or other obligations issued by the rural finance administration, and upon request of the rural finance administration under section 8, the commissioner of finance is authorized at the direction of the administration to issue general obligation bonds of the state in a principal amount not exceeding \$250,000,000. The bonds shall be secured as provided in the Minnesota Constitution, article XI, section 7, and, except as provided in this section, shall be issued and secured as provided in Minnesota Statutes, section 16A.641. The proceeds of the bonds, except any premium and accrued interest, shall be deposited in the security account established by this section and used solely for the purposes specified above and in this section. The premium and accrued interest, if any, shall be deposited in the rural renewal bond account in the state bond fund.

Subd. 2. [TERMS OF BONDS.] Notwithstanding any provision of section 16A.641 to the contrary, the commissioner of finance may fix the terms of the bonds as provided in sections 475.54, subdivision 5a, and 475.56, paragraph (b), and may enter into, on behalf of the state all agreements deemed necessary for this purpose, including those authorized to be entered into by municipalities by said section.

Subd. 3. [SALE OF BONDS.] If determined by the commissioner of finance to be necessary in order to reduce costs of issuance, to secure a favorable prevailing interest rate, or to receive the bond proceeds by a specified date, or if the terms of the bonds are fixed as provided in sections 475.54, subdivision 5a,

and 475.56, paragraph (b), the bonds may be sold by negotiation and without solicitation of sealed bids.

Subd. 4. [BOND FUND ACCOUNT.] The commissioner of finance shall maintain in the state bond fund a separate bookkeeping account that shall be designated as the rural renewal bond account, to record receipts and disbursements of money transferred to the account to pay bonds issued under this section and to record income from the investment of the money therein. The income shall be credited to the account in each fiscal year in an amount equal to the approximate average return that year on all funds invested by the commissioner of finance, as determined by the commissioner of finance, times the average balance in the account that year.

Subd. 5. [RURAL FINANCE ADMINISTRATION SECURITY ACCOUNT.] The commissioner of finance shall maintain a separate account that shall be designated as the rural finance administration security account, into which shall be deposited the proceeds of the rural renewal general obligation bonds issued as provided in this section. The commissioner of finance shall maintain a separate bookkeeping account to record receipts and disbursements of money transferred to or from the security account and to record income from the investment of money therein. Upon the written request of the administration, the commissioner of finance shall transfer from the security account to such account or accounts as the administration shall designate, a sum of money sufficient in amount, when added to the balances then on hand in such designated accounts, to pay bonds issued by the administration under this act and the interest on them due and to become due on the next succeeding date for the payment of the principal of and interest on such bonds of the administration or to restore to any debt service reserve fund established in connection therewith any amount withdrawn from such debt service reserve account to pay such bonds. The commissioner of finance shall further transfer from the security account on or before the date on which any installment of the principal of and interest on bonds authorized by this section is due, a sum sufficient in amount, when added to the balance then on hand in the rural renewal bond account, to pay all bonds issued under this section and the interest on them due and to become due on the next succeeding date for payment of such bonds.

Subd. 6. [INVESTMENT OF SECURITY ACCOUNT.] Moneys from time to time on deposit in the security account shall be invested at the direction of the administration in any investment authorized by this subdivision. Moneys on deposit in the security account may be invested in (a) certificates of deposit insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation, (b) certificates of deposit issued by eligible agricultural lenders, whether or not fully insured or secured, (c) deposits secured by obligations of the United States or of the state of a market value equal at all times

to the amount of the deposit and all banks and trust companies are authorized to give such security for such deposits, or (d) in qualified agricultural loans or in participation interests in qualified agricultural loans. If and to the extent moneys have been transferred from the security account to provide for the timely payment of the principal of and interest on bonds issued by the administration, or to transfer moneys to a debt service reserve fund established in connection therewith, the administration shall be required to transfer to the security account on or before December 1 of each succeeding year an amount equal to that previously transferred from the security account, provided that the administration's obligation to transfer moneys to the security account shall be limited to moneys then on hand in funds or accounts of the administration in excess of those appropriated to other purposes or required to provide for the payment of the principal of and interest on bonds issued by the administration and to pay the costs of issuing, carrying, administering, and securing such bonds of the administration and of administering and implementing the programs of the administration financed by such bonds.

Subd. 7. [TRANSFERS, APPROPRIATION.] In addition to the money required to be transferred to the rural renewal bond account under subdivision 5, and in order to reduce the amount of taxes otherwise required by the Minnesota Constitution to be levied for the state bond fund, the commissioner of finance shall transfer from the general fund to the rural renewal bond account, on December 1 in each year, a sum of money sufficient in amount, when added to the balance then on hand in that account, to pay all bonds issued under this section and the interest on them due and to become due to and including July 1 in the second ensuing year. All money to be so credited and all income from its investment is annually appropriated for the payment of the bonds and interest on them, and shall be available in the rural renewal bond account before the levy of the tax in any year required by the Minnesota Constitution, article XI, section 7. The legislature may also appropriate to the rural renewal bond account any other money in the state treasury not otherwise appropriated, for the security of bonds issued under this section in the event that sufficient money should not be available in the account from the appropriation in this section, before the levy of the tax in any year. The commissioner of finance shall make the appropriate entries in the accounts of the respective funds.

Subd. 8. [CONSTITUTIONAL LEVY.] On or before December 1 in each year the state auditor shall levy on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then in the rural renewal bond account, to pay the entire amount of principal and interest due on or before July 1 in the second year thereafter on bonds issued under this section. This tax shall be levied upon all real property used for a homestead, as well as other taxable property, notwithstanding section 273.13, subdivision 22. The tax must not

be limited in rate or amount until all the bonds and interest on them are fully paid. The proceeds of this tax are appropriated and shall be credited to the state bond fund, and the principal and interest on the bonds are payable from all the proceeds. As much of the proceeds as is necessary, is appropriated for the payments. If at any time there is insufficient money from the proceeds of the taxes to pay the principal and interest when due on the bonds, the principal and interest must be paid out of the general fund in the state treasury, and the amount necessary for the payment is appropriated.

Subd. 9. [COMPLIANCE WITH FEDERAL LAW.] The commissioner of finance is authorized to covenant and agree with the holders of the bonds issued under this section that the state will comply, insofar as possible, with the provisions of the United States Internal Revenue Code now or hereafter enacted that are applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be includable in gross income for federal tax purposes.

Subd. 10. [TAXABILITY OF INTEREST.] Interest on the bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes.

Sec. 20. [41B.20] [EXEMPTION FROM TAXES.]

Subdivision 1. The property of the administration and its income and operation shall be exempt from all taxation by the state or any of its political subdivisions.

Subd. 2. Notwithstanding section 290.80, subdivision 8, interest upon obligations of the administration issued under section 8 or upon obligations of the state of Minnesota issued under section 19 shall not be included in gross income for the purposes of chapter 290, provided that any item which was excluded in arriving at gross income under the provisions of section 290.01, subdivisions 20 to 20f, shall not be again excluded under this section. This subdivision shall not apply to corporations taxable under section 290.02 or 290.361.

Sec. 21. [41B.21] [CERTAIN ACTIONS.]

Any action or proceedings brought by any person with respect to the rights or powers of the administration or calling into question the validity or enforceability of bonds or obligations authorized by this act is a remedial case of which the supreme court has original jurisdiction pursuant to article VI, section 2 of the constitution. Any such action shall be commenced solely by service upon the state auditor, the commissioner of agriculture, or the executive director of the administration and by filing of the summons and complaint with the supreme

court. Upon filing of an answer to the complaint, the court shall order a hearing which shall be held not later than 30 days from the date of filing of such answer. At such hearing, the court shall establish an expedited schedule for the action.

Sec. 22. [41B.22] [CONSTRUCTION.]

Sections 1 to 21 are necessary for the welfare of the state of Minnesota and its inhabitants; therefore, it shall be liberally construed to effect its purpose.

Sec. 23. [APPROPRIATION.]

To pay the expenses of the establishment of the administration and of the programs authorized by this chapter, \$ is appropriated from the general fund to the administration for the fiscal year ending June 30, 1987.

Sec. 24. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for the creation of the Minnesota Rural Finance Administration; providing for the establishment of a program to purchase participation interests in agricultural loans; providing for the establishment of a security fund for a loan program; appropriating money and authorizing state bonds; proposing coding for new law as Minnesota Statutes, chapter 41B."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 2374, A bill for an act relating to traffic regulations; increasing area of state in which weight limitations on highways may be seasonally increased; providing that weight limitations are increased seasonally for transporting sugar beets and potatoes under certain conditions; increasing weight limitations under which special permits may be issued; imposing fees; amending Minnesota Statutes 1984, sections 169.825, subdivision 11; and 169.86, subdivision 5.

Reported the same back with the following amendments:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1984, section 169.81, subdivision 2, is amended to read:

Subd. 2. [LENGTH OF VEHICLES.] (a) No single unit motor vehicle, except truck cranes which may not exceed 45 feet, unladen or with load may exceed a length of 40 feet extreme overall dimensions inclusive of front and rear bumpers, except that the governing body of a city is authorized by permit to provide for the maximum length of a motor vehicle, or combination of motor vehicles, or the number of vehicles that may be fastened together, and which may be operated upon the streets or highways of a city; provided, that the permit may not prescribe a length less than that permitted by state law. A motor vehicle operated in compliance with the permit on the streets or highways of the city is not in violation of this chapter.

(b) No single semitrailer may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer adjacent to the truck or truck-tractor, in excess of 48 feet, except (AS PROVIDED IN PARAGRAPH (D)) *that a single semitrailer may have an overall length in excess of 48 feet if (1) the distance from the kingpin to the centerline of the rear axle group of the semitrailer does not exceed 41 feet, and (2) if the semitrailer is operated only in a combination of vehicles which does not exceed an overall length of 65 feet.* No single trailer may have an overall length inclusive of tow bar assembly and exclusive of rear protective bumpers which do not increase the overall length by more than six inches, in excess of 45 feet. For determining compliance with the provisions of this subdivision, the length of the semitrailer or trailer must be determined separately from the overall length of the combination of vehicles.

(c) No semitrailer or trailer used in a three-vehicle combination may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer or trailer adjacent to the truck or truck-tractor, and further exclusive of the tow bar assembly, in excess of 28-1/2 feet. The commissioner may not grant a permit authorizing the movement, in a three-vehicle combination, of a semitrailer or trailer that exceeds 28-1/2 feet, except that the commissioner may renew a permit that was granted before April 16, 1984 for the movement of a semitrailer or trailer that exceeds the length limitation in this paragraph.

((D) THE COMMISSIONER MAY ISSUE AN ANNUAL PERMIT FOR A SEMITRAILER IN EXCESS OF 48 FEET

IN LENGTH, IF THE DISTANCE FROM THE KINGPIN TO THE CENTERLINE OF THE REAR AXLE GROUP OF THE SEMITRAILER DOES NOT EXCEED 41 FEET AND IF A COMBINATION OF VEHICLES, WHICH INCLUDES A SEMITRAILER IN EXCESS OF 48 FEET FOR WHICH A PERMIT HAS BEEN ISSUED UNDER THIS PARAGRAPH, DOES NOT EXCEED AN OVERALL LENGTH OF 65 FEET. THE ANNUAL FEE FOR A PERMIT ISSUED UNDER THIS PARAGRAPH IS \$36.)”

Page 4, lines 11 to 21, reinstate the stricken language and delete new language

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert “providing for the length of certain vehicles;”

Page 1, delete line 7

Page 1, line 8, delete “permits may be issued” and insert “changing special permit fees for certain construction equipment, machinery, and supplies”

Page 1, line 9, after “sections” insert “169.81, subdivision 2;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2394, A bill for an act relating to veterans; requiring the MIA-POW flag to be flown on the capitol.

Reported the same back with the following amendments:

Page 1, line 6, delete “MIA-POW” and insert “POW-MIA”

Page 1, line 7, delete “MIA-POW” and insert “POW-MIA”

Page 1, line 9, delete “MIA-POW” and insert “POW-MIA”

Page 1, line 10, delete “MIA-POW” and insert “POW-MIA”

Amend the title as follows:

Page 1, line 2, delete "MIA-POW" and insert "POW-MIA"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred :

H. F. No. 2395, A bill for an act relating to game and fish; legislative oversight over federal fund receipts and expenditures.

Reported the same back with the following amendments :

Page 1, line 15, after "*commission*" insert "*in a manner consistent with federal regulations*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred :

H. F. No. 2407, A bill for an act relating to state lands; directing transfer of the Croft Mine Park, and all artifacts, machinery, and other personal property used in its operation, to any one or a combination of the city of Ironton, the city of Crosby, and the Croft historical park board.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred :

H. F. No. 2409, A bill for an act relating to environment; providing for the adoption of a sewage treatment system construction code; requiring certification of sewage system contractors and inspectors in certain counties; providing for the administration of certification laws by the pollution control agency; authorizing adoption of rules; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments :

Page 2, line 31, after "Locate" insert "or location"

Page 2, line 33, after "site," insert "such"

Page 3, line 10, before "construction" insert "location, design, and"

Page 4, line 18, delete "siting" and insert "location"

Page 4, line 21, delete "siting" and insert "location"

Page 5, line 15, delete "under" and insert "in compliance with"

Page 5, line 19, delete "under" and insert "in compliance with"

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 2422, A bill for an act relating to elections; providing for recall of certain elected county officials; proposing coding for new law in Minnesota Statutes, chapter 351; repealing Minnesota Statutes 1984, sections 351.03; 351.04; 351.08 to 351.11.

Reported the same back with the following amendments:

Page 2, lines 5 and 35, delete "RECALL" and insert "REMOVAL"

Page 2, lines 10 and 22, delete "recall" and insert "removal"

Page 2, line 15, before the period insert "*except that a petition may not be submitted after 180 days prior to a general election for the office which is held by the county official to be named in the petition*"

Page 3, lines 5 and 27, delete "recall" and insert "removal"

Page 4, line 35, delete "recall" and insert "removal"

Page 5, lines 5 and 11, delete "recall" and insert "removal"

Page 5, line 8, delete "RECALL" and insert "REMOVAL"

Page 5, lines 10 and 20, delete "recalled" and insert "removed"

Page 5, lines 22 and 23, delete “, or for the next full term of the same office following removal”

Amend the title as follows :

Page 1, line 2, delete “recall” and insert “removal”

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred :

H. F. No. 2423, A bill for an act relating to elections; providing for the use of certain optical scan electronic voting systems; amending Minnesota Statutes 1984, sections 203B.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 206.

Reported the same back with the following amendments :

Page 1, delete section 1

Renumber the sections in sequence

Amend the title as follows :

Page 1, delete line 4

Page 1, line 5, delete everything before “proposing”

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred :

H. F. No. 2428, A bill for an act relating to public employment labor relations; regulating fair share fees; regulating arbitration; defining employer and employee; amending Minnesota Statutes 1984, sections 179A.03, subdivisions 14, 15, and by adding a subdivision; 179A.05, subdivision 6; 179A.07, subdivision 2; 179A.13, by adding a subdivision; 179A.16, subdivisions 4 and 8; and 179A.21, subdivision 2.

Reported the same back with the following amendments :

Page 4, after line 9, insert :

“Sec. 4. Minnesota Statutes 1985 Supplement, section 179A.04, subdivision 3, is amended to read :

Subd. 3. [OTHER DUTIES.] The director shall :

(a) provide mediation services as requested by the parties until the parties reach agreement. The director 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) certify to the board items of dispute between parties subject to action of the board under section 179A.16 ;

(d) assist the parties in formulating petitions, notices, and other papers required to be filed with the director or the board ;

(e) certify the final results of any election or other voting procedure conducted under sections 179A.01 to 179A.25 ;

(f) adopt rules regulating the forms of petitions, notices, and orders ; and the conduct of hearings and elections ;

(g) receive, catalogue, and file all orders and decisions of the board, all decisions of arbitration panels authorized by sections 179A.01 to 179A.25, all grievance arbitration decisions, and the director's orders and decisions. All orders and 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 director or in conjunction with fair share fee challenges ;

(1) subject to the availability of staff and resources, provide grievance arbitration services upon the mutual request of the parties to a dispute and collect a fee for these services. The fee shall be established by the director at a rate designed to fully recover the costs of the services."

Renumber the sections in sequence

Page 5, lines 27 to 30, reinstate all stricken language except for "\$180" on line 30

Page 5, line 30, after the stricken "\$180" insert "*up to \$350*"

Page 6, line 8, delete "\$250" and insert "*up to \$350*"

Amend the title as follows :

Page 1, line 9, after "2" insert "; Minnesota Statutes 1985 Supplement, section 179A.04, subdivision 3"

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred :

H. F. No. 2429, A bill for an act relating to transportation; adding new route to trunk highway system in substitution of existing route; allowing old highway to be turned back to city of Willmar; permitting commissioner of transportation to exchange transportation facilities under conditions of clear public benefit; providing for variance from rules for certain tank motor vehicles; providing that the use of certain high occupancy lanes and exclusive bus lanes by vehicles carrying more than one person to be considered by commissioner of transportation; directing revisor of statutes to make route substitutions; amending Minnesota Statutes 1985 Supplement, sections 161.20, subdivision 2; and 221.033, subdivision 3; and Laws 1974, chapter 151, section 3.

Reported the same back with the following amendments :

Page 1, after line 18, insert :

"Section 1. [160.81] [HIGHWAYS IN RECREATION AREAS.]

Subdivision 1. [JOINT STANDARDS.] The commissioner of transportation, in consultation with the commissioner of nat-

ural resources, shall establish standards for trunk highway segments located in areas of unusual scenic interest. The rules shall:

(1) define "areas of unusual scenic interest," which must include major recreational areas, historic areas and major publicly and privately owned tourist attractions.

(2) prescribe standards for right-of-way, shoulders and parking areas for trunk highway segments in such areas; and

(3) prescribe standards for scenic overlooks, parking piers and other parking areas, tourist information facilities, public water access points and other facilities intended to expand the recreational use of trunk highway segments in such areas.

Subd. 2. [PLAN.] The commissioner of transportation, in consultation with the commissioner of natural resources, shall prepare a plan for the recreational uses of trunk highway right-of-way and adjacent public land in areas of unusual scenic interest. The plan must provide for the enhancement of such recreational uses by the construction of new recreational facilities or the improvement or rehabilitation of existing recreational facilities, as enumerated in subdivision 1, clause (3). The plan must provide for joint development of these facilities by the departments of transportation and natural resources, where feasible, and must contain provisions permitting local units of government and regional development commissions to participate in the planning and development of recreational facilities.

Subd. 3. [RECREATIONAL FACILITIES.] The commissioner of transportation may, in areas of unusual scenic interest:

(a) construct, improve and maintain recreational facilities, including parking areas, scenic overlooks and tourist information facilities, on trunk highway right-of-way and adjacent areas; and

(b) construct, improve and maintain access ramps and turn-offs to connect trunk highways with recreational land owned by the department of natural resources.

Subd. 4. [APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT.] Promulgation of the recreational use plan under subdivision 2 is subject to chapter 14, the administrative procedure act. The standards established under subdivision 1 are not subject to the administrative procedure act."

"Sec. 4. Minnesota Statutes 1984, section 169.07, is amended to read:

169.07 [UNAUTHORIZED SIGNS.]

No person shall place, maintain, or display upon or in view of any highway any unauthorized sign, signal, marking, or device which purports to be or is an imitation of or resembles an official traffic-control device or railroad sign or signal, or which attempts to direct the movement of traffic, or which hides from view or interferes with the effectiveness of any official traffic-control device or any railroad sign or signal, and no person shall place or maintain, nor shall any public authority permit, upon any highway any traffic sign or signal bearing thereon any commercial advertising. This shall not be deemed to prohibit (a) the erection upon private property adjacent to highways of signs giving useful directional information and of a type that cannot be mistaken for official signs, or (b) the temporary placement by auctioneers licensed or exempt from licensing under section 330.01, for a period of not more than eight consecutive hours, on or adjacent to the right-of-way of a highway not more than four signs directing motorists to the location of an auction. The signs must conform to standards for size, content, placement, and location for such signs promulgated by the commissioner of transportation. The rules may require a permit for each such sign but no fee may be charged for the permit.

Every such prohibited sign, signal, or marking is hereby declared to be a public nuisance, and the authority having jurisdiction over the highways is hereby empowered to remove the same, or cause it to be removed, without notice.

Sec. 5. Minnesota Statutes 1984, section 169.44, is amended by adding a subdivision to read:

Subd. 1d. [OPTIONAL SYSTEM.] In addition to equipment required under subdivision 1a and notwithstanding the provisions of section 169.64, a school bus may be equipped with a driver-activated, student control warning system which includes a high-intensity red flashing signal, an audible warning signal and a green all-clear signal, and may activate such a system whenever the use of the stop signal arm and flashing red signals is required under subdivision 2.

Sec. 6. Minnesota Statutes 1984, section 173.08, subdivision 1, is amended to read:

Subdivision 1. [ADVERTISING DEVICES RESTRICTED.] No advertising device, excepting the advertising devices described and permitted under sections 173.01 to 173.27, shall be erected or maintained in an adjacent area, after June 8, 1971, except the following:

(a) Directional and other official signs, including, but not limited to, signs pertaining to natural wonders, scenic and historical attractions, which are required or authorized by law, and which comply with regulations which shall be promulgated by the commissioner relative to their lighting, size, spacing and other requirements as may be appropriate to implement sections 173.01 to 173.27;

(b) Advertising devices advertising the sale or lease of property upon which they are located, provided that there shall not be more than one such sign, advertising the sale or lease of the same property, visible to traffic proceeding in any one direction on any one interstate or primary highway;

(c) Advertising devices advertising activities conducted on the property on which they are located, including, without limiting the generality of the foregoing, goods sold, stored, manufactured, processed or mined thereon, services rendered thereon, and entertainment provided thereon;

(d) Advertising devices stating the name and address of the owner, lessee or occupant of such property or information otherwise required or authorized by law to be posted or displayed thereon;

(e) Public utility signs;

(f) Service club and religious notices;

(g) Advertising devices of which the advertising copy or the name of the owner thereof is in no part visible from the traveled way of the aforesaid highways;

(h) Advertising devices which are located, or which are to be located, in business areas and which comply, or will comply when erected, with the provisions of sections 173.01 to 173.27;

(i) *signs placed temporarily by auctioneers under section 169.07."*

Page 4, after line 32, insert:

"Sec. 10. [SETTLEMENT FUNDS.]

To the extent allowable under the terms of settlements prescribed by the federal government or federal court order, the state agency designated by the governor to receive funds resulting from litigation or settlements of alleged violations of federal petroleum pricing regulations shall deposit percent of such funds received as follows:

(1) 75 percent of such percentage in the highway user tax distribution fund; and

(2) 25 percent of such percentage in the transit assistance fund."

Page 4, line 34, delete "1 to 5" and insert "2, 3, 7, 8, and 9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "providing for standards for highways in areas of unusual scenic interest;"

Page 1, line 7, after the semicolon insert "providing for temporary directional signs to auctions; providing for driver-activated student control warning system on school buses;"

Page 1, line 11, after the semicolon insert "providing for distribution of certain settlement funds;"

Page 1, line 13, after the semicolon insert "amending Minnesota Statutes 1984, sections 169.07; 169.44, by adding a subdivision; and 173.08, subdivision 1;"

Page 1, line 16, before the period insert "; proposing coding for new law in Minnesota Statutes, chapter 160"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2453, A bill for an act relating to state lands; authorizing conveyance of certain state easement.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2466, A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and recreation areas.

Reported the same back with the following amendments:

Page 2, after line 7, insert:

"Subd. 2. [85.012] [Subd. 21.] [FRONTENAC STATE PARK.]

The following areas are added to Frontenac State Park:

Government Lot 1 and that part of Government Lot 2 lying easterly of the center line of said Government Lot 2 of Section 33; Government Lot 1 of Section 34; all in Township 113 North, Range 13 West.

The West Half of the Northwest Quarter and that part of the West Half of the Southwest Quarter lying northerly of the township road of Section 3; that part of Sections 4 and 5 lying northerly of the township road; and the Northeast Quarter of the Northeast Quarter of Section 6; all in Township 112 North, Range 13 West.

The following areas are deleted from Frontenac State Park:

That part of the East Half of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter of Section 3 lying southerly of the township road; all of the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 9; all that part of the South Half of the Southeast Quarter of Section 9 except the rights-of-way of U.S. Highway 61 and the Chicago, Milwaukee, St. Paul and Pacific Railroad; all that part of Section 10 lying northwesterly of C.S.A.H. 2 and southerly of the township road; all that part of the North Half of Section 15 lying northerly of the northerly right-of-way line of U.S. Highway 61 and westerly of C.S.A.H. 2; all that part of the Southeast Quarter of Section 10 and the Northeast Quarter of the Northeast Quarter of Section 15 lying southeasterly of C.S.A.H. 2 and northerly and easterly of the following described lines: Beginning at the intersection of C.S.A.H. 2 and a line 300 feet north of and parallel with the northerly line of Hibernia Avenue of the town of Frontenac Station, thence easterly along said line to its intersection with the northerly extension of the easterly line of Ludlow Avenue, thence southerly along the easterly line of Ludlow Avenue and its extension to a point 270 feet north of the northerly line of Columbia Avenue, thence deflecting left at a right angle to a line parallel with and 100 feet distance from the easterly line of Ludlow Avenue, thence southerly along said line to its intersection with the northerly right-of-way line of U.S. Highway 61, thence easterly along said northerly right-of-way line to the east line of Section 15 and there terminating; all that part of the West Half of the Southwest Quarter of Section 11 and the West Half of the Northwest Quarter of Section 14 lying south-

easterly of C.S.A.H. 2, northerly of the northerly right-of-way line of U.S. Highway 61, and westerly of the following described line: Commencing at the southwest corner of said Section 11; thence on an assumed bearing of North 00 degrees 25 minutes 27 seconds West 1519.93 feet along the west line of said Section 11; thence North 89 degrees 34 minutes 33 seconds East 490.90 feet to Point "A"; thence North 42 degrees 46 minutes 45 seconds West 507.40 feet to the center line of C.S.A.H. 2 (a/k/a Frontenac and Wells Creek Road and road from old Village of Frontenac to new Village of Frontenac) and the point of beginning; thence South 42 degrees 46 minutes 45 seconds East 507.40 feet to Point "A"; thence South 00 degrees 00 minutes 18 seconds West 1416.61 feet; thence South 55 degrees 09 minutes 18 seconds East 1027.56 feet to the east line of said Northwest Quarter of the Northwest Quarter of said Section 14 and there terminating; all that part of the East Half of the Northwest Quarter of Section 14 described as follows: Beginning at the intersection of the north-south quarter section line of the Northwest Quarter of said Section 14 and the northerly right-of-way line of U.S. Highway 61 as now located, run thence North 400 feet, thence East 100 feet, thence South 200 feet, thence East 100 feet, thence South 200 feet more or less to the northerly line of said U.S. Highway 61, thence westerly and along said northerly line of said highway, 200 feet more or less to the point of beginning; all in Township 112 North, Range 13 West."

Page 2, delete lines 20 to 34

Renumber the subdivisions in order

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2468, A bill for an act relating to historical associations; providing procedures and limits for certain state assistance; amending Minnesota Statutes 1984, sections 138.92; and 138.93.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Forsythe from the Committee on Appropriations to which was referred:

S. F. No. 125, A bill for an act relating to labor; changing the definition of plumber's apprentice for the purpose of employment licensing; requiring the registration of plumber's apprentices;

amending Minnesota Statutes 1984, section 326.01, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

S. F. No. 1193, A bill for an act relating to taxation; aggregate removal production; eliminating time requirement for notifying operator of unpaid tax; imposing a penalty; amending Minnesota Statutes 1984, section 298.75, subdivisions 4 and 6.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 651, 901, 1007, 1599, 1677, 1744, 1749, 1751, 1785, 1797, 1821, 1896, 1908, 1911, 1914, 1916, 1944, 1956, 1966, 2001, 2010, 2030, 2033, 2067, 2077, 2080, 2101, 2106, 2130, 2134, 2137, 2139, 2168, 2170, 2177, 2193, 2195, 2205, 2206, 2207, 2218, 2221, 2256, 2259, 2266, 2268, 2295, 2296, 2315, 2316, 2324, 2337, 2344, 2348, 2374, 2394, 2395, 2407, 2409, 2422, 2423, 2428, 2429, 2453, 2466 and 2468 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 125 and 1193 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Frerichs introduced:

H. F. No. 2469, A bill for an act relating to public safety; restricting local requirements for stairways to be enclosed in certain buildings; requiring local governing bodies to consider certain facts before enacting ordinances affecting housing; defining the term "stories"; amending Minnesota Statutes 1984, section 299F.011, subdivision 4, and by adding a subdivision; and Minnesota Statutes 1985 Supplement, section 16B.61, subdivision 3.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Bishop introduced :

H. F. No. 2470, A bill for an act relating to occupations and professions; barbers; providing for compensation of board members for the performance of their examination duties; amending Minnesota Statutes 1984, section 154.22.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

McDonald, for the Committee on Agriculture, introduced :

H. F. No. 2471, A memorial resolution urging the United States Congress, the United States General Accounting Office, and the Congressional Research Service to investigate the incidence of dirty grain shipped from the United States, and its effect on American agricultural exports.

The bill was read for the first time and laid over one day.

McDonald, for the Committee on Agriculture, introduced :

H. F. No. 2472, A resolution memorializing the President and the Congress of the United States to repeal the Federal Reserve Act.

The bill was read for the first time and laid over one day.

Metzen introduced :

H. F. No. 2473, A bill for an act relating to motor vehicles; increasing the amount of the bond required of self-propelled recreational vehicles dealers; amending Minnesota Statutes 1985 Supplement, section 168.27, subdivision 24.

The bill was read for the first time and referred to the Committee on Transportation.

Skoglund, Riveness, Wynia, Greenfield and Anderson, G., introduced:

H. F. No. 2474, A bill for an act relating to crimes; making it a felony to assault or injure a pregnant woman; expanding the crime of criminal vehicular operation; imposing penalties; amending Minnesota Statutes 1984, sections 609.035; and 609.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Frerichs and Johnson introduced:

H. F. No. 2475, A bill for an act relating to compacts; enacting enabling language for Minnesota to join driver license compact; allowing exchange of driver license information with other states; promoting consolidated, complete driver record; proposing coding for new law in Minnesota Statutes, chapter 171.

The bill was read for the first time and referred to the Committee on Transportation.

Frerichs and Johnson introduced:

H. F. No. 2476, A bill for an act relating to public safety; motor vehicles; eliminating redundant and surplus language; correcting inconsistent provisions in statutes; requiring certain information on petition for judicial review of license revocation determination; changing fee for motorized bicycle permit renewal for persons 18 years of age; permitting donor designation on minor donor's driver's license or identification card; abolishing automatic reinstatement of revoked or suspended driving privilege of nonresident in certain circumstances; extending effective period for provisional drivers' licenses by one year; amending Minnesota Statutes 1984, sections 168.28; 169.123, subdivision 5c; 171.02, subdivision 3; and 171.07, subdivision 5; and Minnesota Statutes 1985 Supplement, sections 168.013, subdivisions 1c and 1e; and 171.27; repealing Minnesota Statutes 1984, section 171.15, subdivision 2.

The bill was read for the first time and referred to the Committee on Transportation.

Riveness, Wynia, Skoglund, Welle and Rest introduced :

H. F. No. 2477, A bill for an act relating to insurance; creating a joint underwriting association; requiring participation by insurers; proposing new law coded as Minnesota Statutes, chapter 62I.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Riveness, Voss, Brown, Solberg and Minne introduced :

H. F. No. 2478, A bill for an act relating to insurance; prohibiting certain tying arrangements; providing deposit requirements for domestic companies; extending coverage under the insurance guaranty association act; extending certain filing, approval, and disapproval dates; broadening fair plan coverage; regulating fraternal benefit societies; regulating forms; amending Minnesota Statutes 1984, sections 60A.06, by adding a subdivision; 60C.09, subdivision 1; 62A.02, subdivisions 2 and 3; 62A.17, subdivision 2; 62B.07, subdivisions 2 and 3; 62C.14, subdivision 10; 62E.14, subdivision 3; 62F.06, subdivision 1; 62F.09; 62G.16, subdivision 9; 65A.32; 65A.33; 65A.34, subdivision 1; 65A.35, subdivisions 1 and 2; 65A.37; 70A.06, subdivision 2; 70A.08, by adding a subdivision; 72A.13, subdivision 1; Minnesota Statutes 1985 Supplement, sections 60A.10, subdivision 1; 64B.03; and 64B.06.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Riveness, Voss, Welle, Rest and Otis introduced :

H. F. No. 2479, A bill for an act relating to insurance; requiring certain annual reports of property and casualty insurers; regulating rates and forms; amending Minnesota Statutes 1984, sections 60A.13, by adding a subdivision; 70A.04, subdivision 2, and by adding a subdivision; 70A.06, subdivision 1; 70A.10; and 70A.11; repealing Minnesota Statutes 1984, section 70A.06, subdivision 4.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Haukoos, Dempsey, Waltman, Knickerbocker and Sparby introduced:

H. F. No. 2480, A bill for an act relating to state government; requiring a study on the feasibility of building a parking ramp on certain property.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Vellenga and Wynia introduced:

H. F. No. 2481, A bill for an act relating to human services; providing for outpatient commitment; defining "incapacitated person" to include one who needs mental health services; providing for guardianship and conservatorship to alleviate mental illness; amending Minnesota Statutes 1984, sections 253B.02, subdivision 15, and by adding subdivisions; 253B.07, subdivision 2; 253B.09, subdivisions 1, 2, and 5, and by adding a subdivision; 253B.10, subdivision 1; 253B.12, subdivisions 2 and 5; 253B.14; 525.54, subdivision 2; 525.551, subdivision 5; and 525.56, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sherman, Dempsey, Pappas, Kiffmeyer and Nelson, K., introduced:

H. F. No. 2482, A bill for an act relating to crime victims; authorizing the payment of certain reparations to victims of the crime of tampering with a witness; amending Minnesota Statutes 1985 Supplement, section 611A.52.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Gruenes introduced:

H. F. No. 2483, A bill for an act relating to retirement; public employees retirement association; permitting the purchase of prior service credits by certain employees; amending Minnesota Statutes 1984, section 353.36, subdivision 2b, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

DenOuden introduced :

H. F. No. 2484, A bill for an act relating to the Minnesota zoological garden; authorizing a lease and management contract; abolishing the state zoological board; amending Minnesota Statutes 1984, sections 43A.27, by adding a subdivision; 179A.03, subdivision 15; 466.01, subdivision 1; Minnesota Statutes 1985 Supplement, sections 43A.27, subdivision 2; 352.01, subdivision 2A; proposing coding for new law in Minnesota Statutes, chapter 85A; repealing Minnesota Statutes 1984, section 85A.01, subdivisions 3 and 4; Minnesota Statutes 1985 Supplement, sections 85A.01, subdivisions 1 and 2; 85A.02, subdivision 5a; and 85A.04, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Erickson introduced :

H. F. No. 2485, A bill for an act relating to education; requiring instruction in stewardship of land and water resources in all schools; authorizing aid for education in stewardship of land and water resources; requiring the commissioner of education to perform certain duties; requiring the board of education to amend rules relating to teacher preparation institutions and entrance licenses; proposing coding for new law in Minnesota Statutes, chapters 124 and 126.

The bill was read for the first time and referred to the Committee on Education.

Omann and Marsh introduced :

H. F. No. 2486, A bill for an act relating to corrections; authorizing the commissioner of corrections to contract for an inmate visitation program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 243.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Stanisus introduced :

H. F. No. 2487, A bill for an act relating to human services; regulating work activities of handicapped persons in state facilities; amending Minnesota Statutes 1985 Supplement, section 246.56, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Stanius introduced :

H. F. No. 2488, A bill for an act relating to human services; expanding the commissioner's power to grant funds for services for mentally ill persons; amending Minnesota Statutes 1984, sections 245.73, subdivision 3; and 256E.12, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Stanius introduced :

H. F. No. 2489, A bill for an act relating to human services; providing for conditions requiring monthly reporting by recipients of aid to families with dependent children; amending Minnesota Statutes 1985 Supplement, section 256.73, subdivision 6.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Stanius introduced :

H. F. No. 2490, A bill for an act relating to human services; providing for exhaustion of benefits from other programs before payment of adoption subsidies; amending Minnesota Statutes 1984, section 259.40, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 259.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sherman and Johnson introduced :

H. F. No. 2491, A bill for an act relating to taxes; exempting certain real property from taxation; amending Minnesota Statutes 1985 Supplement, section 272.02, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Sherman and Johnson introduced:

H. F. No. 2492, A bill for an act relating to Winona county; permitting the county to convey certain real estate to a county agricultural society.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Stanius, Vellenga, Cohen and Ozment introduced:

H. F. No. 2493, A bill for an act relating to human services; exempting certain nursing homes from financial statement audits; amending Minnesota Statutes 1985 Supplement, section 256B.48, subdivision 1b.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Shaver introduced:

H. F. No. 2494, A bill for an act relating to commerce; authorizing payment of a certain nominal referral fee by timeshare developers; amending Minnesota Statutes 1985 Supplement, section 82.19, subdivision 3.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Zaffke introduced:

H. F. No. 2495, A bill for an act relating to state government; establishing an oil furnace audit program; amending Minnesota Statutes 1984, section 268.37, by adding a subdivision; Laws 1985, First Special Session chapter 9, article 1, section 3, subdivision 5.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Simoneau introduced :

H. F. No. 2496, A bill for an act relating to unemployment compensation; regulating benefits and contribution rates; appropriating money; amending Minnesota Statutes 1984, sections 268.04, subdivisions 2, 4, 24, 25, and by adding subdivisions; 268.06, subdivisions 2, 3a, 8, and by adding a subdivision; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.09, subdivisions 1 and 2; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121; 268.16, subdivision 2, and by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 268.0111, by adding a subdivision; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivisions 8, 29, and 30.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Bishop introduced :

H. F. No. 2497, A bill for an act relating to venue of actions; modifying venue in actions to recover possession of personal property; amending Minnesota Statutes 1984, section 542.06.

The bill was read for the first time and referred to the Committee on Judiciary.

Ozment introduced :

H. F. No. 2498, A bill for an act relating to taxation; providing for reduction in the rate of excise tax on gasoline sold for marine use at qualified service stations; amending Minnesota Statutes 1984, section 296.02, subdivision 6.

The bill was read for the first time and referred to the Committee on Taxes.

Dyke introduced :

H. F. No. 2499, A bill for an act relating to state parks; requiring a permit for the use of metal detectors in state parks and other public areas; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 85.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Begich and Solberg introduced :

H. F. No. 2500, A bill for an act relating to transportation; prohibiting railroad company from holding employee liable for negligence resulting in damage to company property during the course of employment; proposing coding for new law in Minnesota Statutes, chapter 219.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

McDonald, for the Committee on Agriculture, introduced :

H. F. No. 2501, A bill for an act relating to game and fish; establishing a program to compensate landowners and lessees for damages done by wild animals; appropriating money.

The bill was read for the first time and laid over one day.

HOUSE ADVISORIES

The following House Advisory was introduced :

Seaberg, Marsh and Kelly introduced :

H. A. No. 73, A proposal to study revisions to Juvenile Court Act and other laws relating to juveniles.

The advisory was referred to the Committee on Crime and Family Law.

CONSENT CALENDAR

H. F. No. 1970, A bill for an act relating to state lands; prescribing appraisal for conveyance of surplus state land in Dakota county to city of Hastings; amending Laws 1985, chapter 61, section 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows :

Those who voted in the affirmative were:

Anderson, R.	Erickson	Kostohryz	Otis	Sherman
Backlund	Fjoslien	Krueger	Ozment	Skoglund
Battaglia	Forsythe	Kvam	Pappas	Solberg
Beard	Frederick	Lieder	Pauly	Sparby
Becklin	Frederickson	Long	Peterson	Stanius
Begich	Frerichs	McDonald	Piepho	Staten
Bennett	Greenfield	McEachern	Piper	Sviggunn
Blatz	Gruenes	McKasy	Poppenhagen	Thiede
Boerboom	Gutknecht	McLaughlin	Price	Thorson
Brandl	Halberg	McPherson	Quinn	Tjornhom
Brinkman	Hartinger	Metzen	Quist	Tomlinson
Brown	Hartle	Miller	Redalen	Tompkins
Burger	Haukoos	Minne	Rees	Tunheim
Carlson, D.	Heap	Munger	Rest	Uphus
Carlson, J.	Himle	Murphy	Rice	Valan
Carlson, L.	Jacobs	Nelson, D.	Richter	Valento
Clark	Jaros	Nelson, K.	Riveness	Vanasek
Clausnitzer	Jennings, L.	Neuenschwander	Rodosovich	Vellenga
Cohen	Johnson	Norton	Sarna	Voss
Dempsey	Kahn	O'Connor	Schafer	Waltman
DenOuden	Kalis	Ogren	Scheid	Welle
Dimler	Kelly	Olsen, S.	Schoenfeld	Wenzel
Dyke	Kiffmeyer	Omann	Seaberg	Wynia
Elioff	Knickerbocker	Onnen	Segal	Zaffke
Ellingson	Knuth	Osthoff	Shaver	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 2068 was reported to the House.

Voss offered an amendment to H. F. No. 2068.

CALL OF THE HOUSE

On the motion of Halberg and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Elioff	Kalis	Neuenschwander	Rest
Anderson, R.	Ellingson	Kelly	Norton	Richter
Backlund	Erickson	Kiffmeyer	O'Connor	Riveness
Battaglia	Fjoslien	Knickerbocker	Ogren	Rodosovich
Beard	Forsythe	Knuth	Olsen, S.	Rose
Becklin	Frederick	Kostohryz	Olson, E.	Sarna
Begich	Frederickson	Krueger	Onnen	Schafer
Bennett	Frerichs	Kvam	Osthoff	Scheid
Bishop	Greenfield	Lieder	Otis	Schoenfeld
Blatz	Gruenes	Long	Ozment	Seaberg
Boerboom	Gutknecht	Marsh	Pappas	Segal
Brinkman	Halberg	McDonald	Pauly	Shaver
Burger	Hartinger	McEachern	Peterson	Sherman
Carlson, J.	Hartle	McKasy	Piepho	Simoneau
Carlson, L.	Haukoos	McLaughlin	Piper	Skoglund
Clark	Heap	McPherson	Poppenhagen	Solberg
Clausnitzer	Himle	Metzen	Price	Sparby
Dempsey	Jacobs	Miller	Quinn	Stanius
DenOuden	Jaros	Minne	Quist	Sviggunn
Dimler	Jennings, L.	Munger	Redalen	Thiede
Dyke	Johnson	Murphy	Rees	Thorson

Tjornhoim
Tomlinson
Tompkins

Tunheim
Uphus
Valento

Vanasek
Vellenga
Voss

Waltman
Welle
Wenzel

Wynia
Zaffke
Spk. Jennings, D.

Halberg moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

POINT OF ORDER

Halberg raised a point of order pursuant to rule 3.9 that the Voss amendment was not in order. The Speaker ruled the point of order well taken and the Voss amendment out of order.

H. F. No. 2068, A bill for an act relating to the city of Litchfield; permitting certain investments of municipal power agency funds.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

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

There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Knuth	Omann	Schreiber
Anderson, R.	Ellingson	Kostohryz	Onnen	Seaberg
Backlund	Erickson	Krueger	Osthoff	Segal
Battaglia	Fjoslien	Kvam	Otis	Shaver
Beard	Forsythe	Lieder	Ozment	Sherman
Becklin	Frederick	Long	Pappas	Skoglund
Begich	Frederickson	Marsh	Pauly	Solberg
Bennett	Frerichs	McDonald	Peterson	Sparby
Bishop	Greenfield	McEachern	Piepho	Stanius
Blaiz	Gruenes	McLaughlin	Piper	Sviggum
Boo	Gutknecht	McPherson	Poppenhagen	Thiede
Brandl	Halberg	Metzen	Price	Thorson
Brinkman	Hartinger	Miller	Quinn	Tomlinson
Brown	Hartle	Minne	Quist	Uphus
Burger	Haukoos	Munger	Redalen	Valan
Carlson, D.	Himle	Murphy	Rees	Valento
Carlson, J.	Jacobs	Nelson, D.	Rest	Vellenga
Carlson, L.	Jares	Nelson, K.	Richter	Voss
Clark	Jennings, L.	Neuenschwander	Riveness	Waltman
Cohen	Johnson	Norton	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Sarna	Wenzel
DenOuden	Kelly	Ogren	Schafer	Wynia
Dimler	Kiffmeyer	Olsen, S.	Scheid	Zaffke
Dyke	Kuickerbocker	Olsen, E.	Schoenfeld	Spk. Jennings, D.

The bill was passed and its title agreed to.

Ellingson was excused between the hours of 2:25 p.m. and 4:40 p.m.

H. F. No. 2143, A bill for an act relating to utilities; permitting certain energy cost adjustments; amending Minnesota Statutes 1984, section 216B.16, subdivision 7.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

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

There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Long	Peterson	Sparby
Anderson, R.	Frederick	Marsh	Piepho	Stanius
Backlund	Frederickson	McDonald	Piper	Staten
Battaglia	Frerichs	McEachern	Poppenhagen	Sviggum
Beard	Greenfield	McLaughlin	Price	Thiede
Becklin	Gruenes	McPherson	Quinn	Thorson
Begich	Gutknecht	Metzen	Quist	Tjornhom
Bennett	Halberg	Miller	Redalen	Tomlinson
Bishop	Hartinger	Minne	Rees	Tompkins
Blatz	Hartle	Munger	Rest	Tunheim
Brandl	Haukoos	Murphy	Richter	Uphus
Brinkman	Heap	Nelson, D.	Riveness	Valan
Brown	Himle	Nelson, K.	Rodosovich	Valento
Burger	Jacobs	Neuenschwander	Rose	Vanasek
Carlson, D.	Jaros	Norton	Sarna	Vellenga
Carlson, J.	Jennings, L.	O'Connor	Schafer	Voss
Carlson, L.	Johnson	Ogren	Scheid	Waltman
Clark	Kalis	Olsen, S.	Schoenfeld	Welle
Cohen	Kelly	Olson, E.	Schreiber	Wenzel
Dempsey	Kiffmeyer	Omann	Seaberg	Wynia
DenOuden	Knickerbocker	Onnen	Segal	Zaffke
Dimier	Knuth	Osthoff	Shaver	Spk. Jennings, D.
Dyke	Kostohryz	Otis	Sherman	
Elioff	Krueger	Ozment	Simoneau	
Erickson	Kvam	Pappas	Skoglund	
Fjoslien	Lieder	Pauly	Solberg	

The bill was passed and its title agreed to.

H. F. No. 2294, A bill for an act relating to labor; independent school district No. 709, Duluth; removing certain educational assistants from civil service; amending Laws 1967, chapter 252, section 2, as amended.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

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

There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Kvam	Pauly	Sparby
Anderson, R.	Erickson	Lieder	Peterson	Stanius
Backlund	Fjoslien	Long	Piepho	Staten
Battaglia	Forsythe	Marsh	Piper	Sviggum
Beard	Frederick	McDonald	Poppenhagen	Thiede
Becklin	Frederickson	McEachern	Price	Thorson
Begich	Frerichs	McLaughlin	Quinn	Tjornhom
Bennett	Greenfield	McPherson	Quist	Tomlinson
Bishop	Gruenes	Metzen	Redalcn	Tompkins
Blatz	Gutknecht	Miller	Rees	Tunheim
Boerboom	Halberg	Minne	Rest	Uphus
Boo	Hartinger	Munger	Richter	Valan
Brandl	Hartle	Murphy	Riveness	Valento
Brinkman	Haukoos	Nelson, D.	Rodosovich	Vanasek
Brown	Heap	Nelson, K.	Rose	Vellenga
Burger	Himle	Neuenschwander	Sarna	Voss
Carlson, D.	Jacobs	Norton	Schafer	Waltman
Carlson, J.	Jaros	O'Connor	Scheid	Welle
Carlson, L.	Jennings, L.	Ogren	Schoenfeld	Wenzel
Clark	Johnson	Olsen, S.	Schreiber	Wynia
Clausnitzer	Kalis	Omann	Seaberg	Zaffke
Cohen	Kelly	Onnen	Segal	Spk. Jennings, D.
Dempsey	Kiffmeyer	Osthoff	Shaver	
DenOuden	Knickerbocker	Otis	Sherman	
Dimler	Knuth	Ozment	Skoglund	
Dyke	Krueger	Pappas	Solberg	

The bill was passed and its title agreed to.

H. F. No. 2317, A bill for an act relating to corporations; providing for the resignation of registered agents of foreign corporations; amending Minnesota Statutes 1984, section 303.10, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

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

There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Kostohryz	Otis	Skoglund
Anderson, R.	Erickson	Krueger	Ozment	Solberg
Backlund	Fjoslien	Kvam	Pappas	Sparby
Battaglia	Forsythe	Lieder	Pauly	Stanius
Beard	Frederick	Long	Peterson	Staten
Becklin	Frederickson	Marsh	Piepho	Sviglum
Begich	Frerichs	McDonald	Piper	Thiede
Bennett	Greenfield	McEachern	Poppenhagen	Thorson
Bishop	Gruenes	McLaughlin	Price	Tjornhom
Blatz	Gutknecht	McPherson	Quinn	Tomlinson
Boerboom	Halberg	Metzen	Quist	Tompkins
Boo	Hartinger	Miller	Redalen	Tunheim
Brandl	Hartle	Minne	Rees	Uphus
Brinkman	Haukoos	Munger	Rest	Valan
Brown	Heap	Murphy	Richter	Valento
Burger	Himle	Nelson, D.	Riveness	Vanasek
Carlson, D.	Jacobs	Nelson, K.	Rodosovich	Vellenga
Carlson, J.	Jaros	Neuenschwander	Rose	Voss
Carlson, L.	Jennings, L.	Norton	Sarna	Waltman
Clark	Johnson	O'Connor	Schafer	Welle
Clausnitzer	Kahn	Ogren	Scheid	Wenzel
Cohen	Kalis	Olsen, S.	Schoenfeld	Wynia
Dempsey	Kelly	Olson, E.	Schreiber	Zaffke
DenOuden	Kiffmeyer	Omana	Seaberg	Spk. Jennings, D.
Dimler	Knickerbocker	Onnen	Segal	
Dyke	Knuth	Osthoff	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2265 was reported to the House.

Halberg moved that H. F. No. 2265 be continued on the Consent Calendar for one day. The motion prevailed.

CALL OF THE HOUSE LIFTED

Voss moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Himle, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be acted upon immediately preceding Special Orders pending for Monday, March 3, 1986:

S. F. No. 1612; H. F. Nos. 1764 and 1776.

SPECIAL ORDERS

S. F. No. 1612 was reported to the House.

Poppenhagen moved to amend S. F. No. 1612, the unofficial engrossment, as follows:

Page 9, after line 21, insert:

"Sec. 11. Minnesota Statutes 1984, section 471.616, subdivision 1, is amended to read:

Subdivision 1. [BIDDING REQUIRED.] No governmental subdivision, political subdivision, or any other body corporate and politic authorized by law to purchase group insurance for its employees and providing or intending to provide group insurance protections and benefits for 25 or more of its employees shall enter into a contract for or renew any group insurance policy or contract without calling for bids and awarding the contract to the lowest responsible bidder by way of competitive bidding procedures similar to those for the provision of services and supplies under section 16B.07, subdivisions 1 to 5. A political subdivision may provide in the bid specifications that self insured health benefit plans will not be considered. Lowest responsible bidder means the insurer, service plan corporation, or self insurance plan, if allowed by the bid specifications which offers the lowest cost, is authorized to do business in this state, and is deemed by the governmental unit to be capable of satisfactorily performing the administration of the policy or contract in accordance with the bid specifications. "Cost" means in the case of an insurer, the *net premium (RATE), including consideration of any expense and risk charges*; in the case of service plan corporation, the charge for expenses and risk taking; and in the case of self insurance plans, the sum of the cost of paid claims, including provision for estimated incurred but unpaid claims at the end of the term, administrative costs, and premium for excess coverage. The cost of changing plans may also be considered in determining the lowest cost. The aggregate value of benefits provided by a contract entered into after July 1, 1973 shall not be less than those provided by the preexisting contract (a) unless a majority of the employees covered under the group insurance plan and voting on the question agree to a reduction in the benefits, if the employees are not represented by an exclusive representative pursuant to section 179A.12, or (b) unless the public employer and the exclusive representative of the employees of an appropriate bargaining unit, certified pursuant to section 179.67, agree to a reduction in the benefits. The aggregate value of benefits of any former employee who has retired shall not, in any event, be reduced pursuant to clause (a) or (b), unless he has individually agreed to the reduction.

No contract need be submitted to bid more frequently than once every 48 months, unless for any reason whatsoever, a 50 percent or greater change in the premium per covered employee under the policy contract is provided, required or indicated. If additional employees are added to an existing group pursuant to

a joint powers agreement under section 471.59, new bids and award are not required.

When an insurer proposes an increase in rates, it shall accompany its proposal with an aggregate claims record for the appropriate period that explains the proposed increase. When a contract is resubmitted for bids the aggregate claims record shall accompany the specifications for the contract. Cost comparisons are not required between insured and self-insurance alternatives, but apply to comparisons between two or more insured proposals or comparisons between two or more self insurance proposals."

Renumber the remaining section

Amend the title as follows:

Page 1, line 3, after the semicolon insert "redefining cost for purpose of insurance company bidding for government contracts;"

Page 1, line 16, delete "and"

Page 1, line 17, after the semicolon insert "and 471.616, subdivision 1,"

The motion prevailed and the amendment was adopted.

S. F. No. 1612, A bill for an act relating to insurance; changing certain incorporation requirements for domestic insurance corporations; changing certain investment requirements for life insurance companies; amending Minnesota Statutes 1984, sections 60A.07, subdivision 1; and 61A.282, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 88 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Clark	Greenfield	Kostohryz	Onnen
Becklin	Clausnitzer	Gruenes	Kvam	Osthoff
Bennett	Cohen	Gutknecht	Lieder	Ozment
Bishop	Dempsey	Halberg	Long	Pauly
Blatz	DenOuden	Hartinger	Marsh	Piepho
Boerboom	Dimler	Hartle	McDonald	Piper
Boo	Dyke	Haukoos	McKasy	Poppenhagen
Brandl	Erickson	Heap	McPherson	Redalen
Brinkman	Fjoslien	Johnson	Miller	Rees
Burger	Forsythe	Kalis	Minne	Richter
Carlson, D.	Frederick	Kiffmeyer	Munger	Rose
Carlson, J.	Frederickson	Knickerbocker	Olsen, S.	Schafer
Carlson, L.	Frerichs	Knuth	Omann	Seaberg

Segal	Sparby	Tjornhom	Valan	Waltman
Shaver	Stanius	Tomlinson	Valento	Wynia
Sherman	Sviggum	Tompkins	Veilenga	Zaffke
Simoneau	Thiede	Tunheim	Voss	Spk. Jennings, D.
Skoglund	Thorson	Uphus		

Those who voted in the negative were:

Anderson, G.	Jennings, L.	Murphy	Pappas	Schoenfeld
Battaglia	Kahn	Neuenschwander	Quinn	Staten
Beard	Krueger	Norton	Rodosovich	Vanasek
Begich	McEachern	O'Connor	Sarna	Welle
Brown	McLaughlin	Ogren	Scheid	Wenzel
Elioff				

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

H. F. No. 1764 was reported to the House.

Blatz; Rodosovich; McEachern; Gutknecht; Voss; Uphus; Knickerbocker; Tunheim; Lieder; Waltman; Kalis; Knuth; Olson, E.; Bennett; Kelly; Pauly; Johnson; Boo; Dimler and Frerichs moved to amend H. F. No. 1764, the second engrossment, as follows:

Page 6, after line 7, insert:

"Sec. 5. [145.684] [NONECONOMIC LOSSES; LIMITATIONS.]

In actions for malpractice, error, mistake, or failure to cure, whether based on contract or tort, against health care providers, the amount of damages for noneconomic losses must not exceed \$400,000."

Renumber remaining sections

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Blatz et al., amendment and the roll was called. There were 100 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Blatz	Carlson, L.	Forsythe	Haukoos
Anderson, R.	Boerboom	Clausnitzer	Frederick	Himle
Backlund	Boo	DenOuden	Frederickson	Jacobs
Battaglia	Brinkman	Dimler	Frerichs	Jennings, L.
Beard	Brown	Dyke	Gruenes	Johnson
Becklin	Burger	Elioff	Gutknecht	Kalis
Begich	Carlson, D.	Erickson	Hartinger	Kelly
Bennett	Carlson, J.	Fjoslien	Hartle	Kiffmeyer

Knickerbocker	Minne	Poppenhagen	Segal	Tomlinson
Knuth	Neuenschwander	Quist	Shaver	Tompkins
Kostohryz	Ogren	Redalen	Sherman	Tunheim
Krueger	Olsen, S.	Rees	Simoneau	Uphus
Kvam	Olson, E.	Richter	Skoglund	Valan
Lieder	Omman	Rodosovich	Solberg	Valento
Marsh	Onnen	Rose	Sparby	Voss
McEachern	Otis	Sarna	Stanius	Waltman
McKasy	Pauly	Schafer	Sviggum	Welle
McPherson	Peterson	Scheid	Thiede	Wenzel
Metzen	Piepho	Schoenfeld	Thorson	Zaffke
Miller	Piper	Schreiber	Tjornhom	Spk. Jennings, D.

Those who voted in the negative were:

Bishop	Greenfield	Munger	Pappas	Staten
Brandl	Halberg	Murphy	Price	Vanasek
Clark	Kahn	Nelson, D.	Rice	Wynia
Cohen	Long	Norton	Riveness	
Dempsey	McLaughlin	O'Connor	Seaberg	

The motion prevailed and the amendment was adopted.

Blatz moved to amend H. F. No. 1764, the second engrossment, as amended, as follows:

Page 3, after line 2, insert:

"Subd. 3. [DEPENDENT.] "Dependent" means a child of a plaintiff under age 21, or any other person over age 21 who is dependent on the plaintiff for monetary support and who is physically or mentally incapacitated from earning."

Renumber remaining subdivisions

Page 8, line 32, delete "(a) All periodic payments for" and insert:

"(a) All periodic payments for future damages made to the plaintiff cease when the plaintiff dies except when the plaintiff is survived by a spouse or dependent. Under those circumstances, the portion of the periodic payments representing future loss of earnings or earnings capacity awarded pursuant to subdivision 2(a)(2)(ii) will continue and is governed by the original payment schedule. Payments will cease on completion of the original payment schedule, the death of the spouse, the attainment of age 21 by the last dependent child, or the death of the last remaining incapacitated dependent, whichever occurs later."

Page 8, delete lines 33 to 36

Page 9, delete lines 1 to 8

The motion prevailed and the amendment was adopted.

The Speaker called Halberg to the Chair.

Boo and Skoglund moved to amend H. F. No. 1764, the second engrossment, as amended, as follows:

Page 15, line 35, strike "willful indifference to" and insert "intentional disregard of"

Amend the title as follows:

Page 1, line 9, delete "removing" and insert "changing the pleading of"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Quinn and Schoenfeld moved to amend H. F. No. 1764, the second engrossment, as amended, as follows:

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1984, section 60A.13, is amended by adding a subdivision to read:

Subd. 8. [ANNUAL REPORTS.] Each insurer licensed to write property and casualty insurance in this state, as a supplement to the annual statement required by this section, shall submit a report on a form furnished by the commissioner showing its direct writings in Minnesota and in the United States on: liquor liability, product liability, medical malpractice, and any other line so designated by the commissioner on January 1 of each year.

The supplemental reports must include the following data for the previous year ending on the 31st day of December:

- (1) direct premiums written;*
- (2) direct premiums earned;*
- (3) net investment income, including net realized capital gains and losses, using appropriate estimates where necessary;*
- (4) incurred claims, developed as the sum, and with figures provided for, of the following:*
 - (a) dollar amount of claims closed with payment, plus*
 - (b) reserves for reported claims at the end of the current year, minus*

(c) reserves for reported claims at the end of the previous year, plus

(d) reserves for incurred but not reported claims at the end of the current year, minus

(e) reserves for incurred but not reported claims at the end of the previous year, plus

(f) reserves for loss adjustment expense at the end of the current year, minus

(g) reserves for loss adjustment expense at the end of the previous year;

(5) actual incurred expenses allocated separately to loss adjustment, commissions, other acquisition costs, general office expenses, taxes, licenses and fees, and all other expenses;

(6) net underwriting gain or loss; and

(7) net operation gain or loss, including net investment income.

This report is due by the first of May of each year and the first report must cover the year 1986. The commissioner shall annually compile and review all reports submitted by insurers pursuant to this section. These filings must be published and made available to any interested insured or citizen."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after "limitation;" insert "requiring certain supplemental reports;" and after "sections" insert "60A.13, by adding a subdivision;"

A roll call was requested and properly seconded.

The question was taken on the Quinn and Schoenfeld amendment and the roll was called. There were 75 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brandl	Elioff	Kahn	Long
Backlund	Brown	Greenfield	Kalis	McDonald
Battaglia	Carlson, L.	Gutknecht	Knickerbocker	McEachern
Beard	Clark	Halberg	Knuth	McLaughlin
Begich	Cohen	Hartinger	Kostohryz	Metzen
Bishop	Dempsey	Jacobs	Krueger	Minne
Blatz	DenOuden	Johnson	Lieder	Munger

Murphy	Otis	Rees	Seaberg	Tunheim
Nelson, D.	Pappas	Rest	Segal	Uphus
Nelson, K.	Pauly	Riveness	Simoneau	Vanasek
Neuenschwander	Peterson	Rodosovich	Skoglund	Vellenga
Norton	Piper	Sarna	Solberg	Voss
O'Connor	Price	Scheid	Sparby	Welle
Ogren	Quinn	Schoenfeld	Staten	Wenzel
Osthoff	Quist	Schreiber	Tompkins	Wynia

Those who voted in the negative were :

Anderson, R.	Dyke	Himle	Ozment	Thiede
Becklin	Fjoslien	Jennings, L.	Piepho	Thorson
Bennett	Forsythe	Kelly	Poppenhagen	Tjornhom
Boerboom	Frederick	Kiffmeyer	Redalen	Tomlinson
Boo	Frederickson	Marsh	Richter	Valan
Brinkman	Frerichs	McKasy	Rose	Valento
Burger	Gruenes	McPherson	Schafer	Waltman
Carlson, J.	Hartle	Olsen, S.	Sherman	Zaffke
Clausnitzer	Haukoos	Omann	Stanium	Spk. Jennings, D.
Dimler	Heap	Onnen	Svigum	

The motion prevailed and the amendment was adopted.

H. F. No. 1764, A bill for an act relating to commerce; regulating medical malpractice insurance to health care providers who are unable to obtain the coverage in the voluntary market; regulating malpractice actions against health care providers; providing certification of expert review and the waiver of privilege by health care providers; requiring disclosure of experts; revising the statute of limitations for minors; changing the pleading of punitive damages; changing the collateral source rule; and providing periodic payments of damages exceeding a threshold limitation; requiring certain supplemental reports; amending Minnesota Statutes 1984, sections 60A.13, by adding a subdivision; 62F.04, by adding a subdivision; 62F.06, subdivision 1; 541.15; 549.09, subdivision 1; 549.20, subdivision 1, and by adding a subdivision; and 595.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were :

Anderson, G.	Blatz	Clark	Fjoslien	Hartering
Anderson, R.	Boerboom	Clausnitzer	Forsythe	Hartle
Backlund	Boo	Cohen	Frederick	Haukoos
Battaglia	Brandl	Dempsey	Frederickson	Heap
Beard	Brinkman	DenOuden	Frerichs	Himle
Becklin	Brown	Dimler	Greenfield	Jacobs
Begich	Burger	Dyke	Gruenes	Jennings, L.
Bennett	Carlson, J.	Elioff	Gutknecht	Johnson
Bishop	Carlson, L.	Erickson	Halberg	Kahn

Kalis	Minne	Peterson	Schoenfeld	Tompkins
Kelly	Munger	Piepho	Schreiber	Tunheim
Kiffmeyer	Murphy	Piper	Seaberg	Uphus
Knickerbocker	Nelson, D.	Poppenhagen	Segal	Valan
Knuth	Nelson, K.	Price	Shaver	Valento
Kostohryz	Neuenschwander	Quinn	Sherman	Vanasek
Krueger	O'Connor	Quist	Simoneau	Vellenga
Kvam	Ogren	Redalen	Skoglund	Voss
Lieder	Olsen, S.	Rees	Solberg	Waltman
Long	Olson, E.	Rest	Sparby	Welle
Marsh	Omann	Richter	Stanius	Wenzel
McDonald	Onnen	Riveness	Staten	Wynia
McEachern	Osthoff	Rodosovich	Sviggum	Zaffke
McKasy	Otis	Rose	Thiede	Spk. Jennings, D.
McLaughlin	Ozment	Sarna	Thorson	
McPherson	Pappas	Schafer	Tjornhom	
Metzen	Pauly	Scheid	Tomlinson	

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

H. F. No. 1776 was reported to the House.

Olsen, S., moved to amend H. F. No. 1776, the second engrossment, as follows:

Page 1, after the enacting clause, insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 3.736, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] The state will pay compensation for injury to or loss of property or personal injury or death caused by an act or omission of any employee of the state while acting within the scope of his office or employment or peace officer who is not acting on behalf of a private employer and who is acting in good faith pursuant to section 629.40, subdivision 3, under circumstances where the state, if a private person, would be liable to the claimant, *whether arising out of a governmental or proprietary function*. Nothing in this section waives the defense of judicial or legislative immunity except to the extent provided in subdivision 8.”

Renumber remaining sections

Amend the title as follows:

Page 1, line 14, delete “subdivision 3” and insert “subdivisions 1 and 3”

The motion prevailed and the amendment was adopted.

Olsen, S., moved to amend H. F. No. 1776, the second engrossment, as amended, as follows:

Page 16, after line 27, insert:

"Sec. 30. Minnesota Statutes 1984, section 549.20, subdivision 1, is amended to read:

Subdivision 1. Punitive damages (SHALL BE ALLOWED) *are not allowable* in civil actions (ONLY UPON CLEAR AND CONVINCING EVIDENCE THAT THE ACTS OF THE DEFENDANT SHOW A WILLFUL INDIFFERENCE TO THE RIGHTS OR SAFETY OF OTHERS).

Sec. 31. [549.22] [NONECONOMIC LOSSES; LIMITATIONS.]

Subdivision 1. [DEFINITION.] *For purposes of this section, "noneconomic loss" means all nonpecuniary harm for which damages are recoverable, including but not limited to pain, disability, disfigurement, embarrassment, emotional distress, and loss of consortium.*

Subd. 2. [LIMITATION.] *In civil actions, whether based on contract or tort, the amount of damages per person for noneconomic losses may not exceed \$250,000.*

Sec. 32. Minnesota Statutes 1984, section 604.02, subdivision 1, is amended to read:

Subdivision 1. When two or more persons are (JOINTLY) *liable in an action for death or injury to a person or injury to property, (CONTRIBUTIONS TO AWARDS SHALL BE) each person is severally liable* in proportion to the percentage of fault attributable to (EACH, EXCEPT THAT EACH IS JOINTLY AND SEVERALLY LIABLE FOR THE WHOLE AWARD) *that person. The principle of joint and several liability for the whole award is abolished.*

For purposes of this subdivision, "person" includes municipalities as defined in section 2.

Sec. 33. [REPEALER.]

Minnesota Statutes 1984, section 549.20, subdivisions 2 and 3 are repealed."

Page 16, line 30, delete "29" and insert "33"

Renumber the remaining section

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "abolishing punitive damages in civil actions; limiting noneconomic loss; and eliminating joint liability in tort;"

Page 1, line 13, after the semicolon, insert "549.20, subdivision 1; and 604.02, subdivision 1;"

Page 1, line 14, after the semicolon, insert "repealing Minnesota Statutes 1984, section 549.20, subdivisions 2 and 3;"

Page 1, line 15, delete "and 548" and insert "548, and 549"

The motion prevailed and the amendment was adopted.

Clark was excused for the remainder of today's session.

Boo and Kelly moved to amend H. F. No. 1776, the second engrossment, as amended, as follows:

Page 16, after line 27, insert:

"Sec. 30. [549.22] [ATTORNEY FEE SCHEDULE.]

An attorney shall not contract for or collect a contingency fee for representing any person in any civil action, whether based on contract or tort, in excess of the following limits:

- (1) *33 percent of the first \$200,000 recovered;*
- (2) *25 percent of the next \$200,000 recovered;*
- (3) *ten percent of any amount exceeding \$400,000.*

The limitations shall apply regardless of whether the recovery is by settlement, arbitration, or judgment, or whether the person for whom the recovery is made is a responsible adult, an infant, or a person of unsound mind."

Page 16, line 30, delete "33" and insert "30"

Renumber the remaining section

Amend the title as follows:

Page 1, line 9, after the semicolon insert "limiting contingent attorney's fees;"

Page 1, line 15, delete "and 548" and insert "548, and 549"

Long moved to amend the Boo and Kelly amendment, as follows:

Page 1, after line 9, insert:

“An attorney shall not contract for or collect a fee for defending any party in any civil action in excess of \$100.00 per hour for time actually and necessarily spent in preparing and conducting the defense.”

The motion did not prevail and the amendment to the amendment was not adopted.

POINT OF ORDER

Seaberg raised a point of order pursuant to rule 3.9 that the Boo and Kelly amendment was not in order. The Speaker ruled the point of order not well taken and the Boo and Kelly amendment in order.

The question recurred on the Boo and Kelly amendment to H. F. No. 1776, as amended. The motion prevailed and the amendment was adopted.

Voss moved to amend H. F. No. 1776, the second engrossment, as amended, as follows:

Page 16, after line 27, insert:

“Sec. 30. Minnesota Statutes 1984, section 549.21, is amended to read:

549.21 [REIMBURSEMENT FOR CERTAIN COSTS IN CIVIL ACTIONS.]

Subdivision 1. [ACKNOWLEDGEMENT IN PLEADINGS.] The parties by their attorneys in any civil action shall attach to and make a part of the pleading served on the opposite party or parties a signed acknowledgement stating that the parties acknowledge that costs, disbursements, reasonable attorney and witness fees may be awarded to the opposing party or parties pursuant to subdivision 2.

Subd. 2. [AWARD OF COSTS.] Upon motion of a party, or upon the court's own motion, the court in its discretion may award to that party costs, disbursements, reasonable attorney fees and witness fees if the party or attorney against whom costs, disbursements, reasonable attorney and witness fees are charged acted in bad faith; asserted a claim or defense knowing it to be frivolous; asserted an unfounded position solely to delay the ordinary course of the proceedings or to harass; or committed a fraud upon the court. To qualify for an award under this section, a party shall give timely notice of intent to claim an award. An award under this section shall be without prejudice and as an alternative to any claim for sanctions that may be asserted under the rules of civil procedure. Nothing herein shall authorize the

award of costs, disbursements or fees against a party or attorney advancing a claim or defense unwarranted under existing law, if it is supported by a good faith argument for an extension, modification, or reversal of the existing law.”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 9, after the semicolon, insert “providing for reimbursement for certain costs in civil actions;”

Page 1, line 13, after the semicolon, insert “549.21;”

The motion prevailed and the amendment was adopted.

Voss moved to amend H. F. No. 1776, the second engrossment, as amended, as follows:

Page 3, after line 4, insert the following:

“Section 1. [62I.01] [CITATION.]

Sections 1 to 20 may be cited as the Minnesota joint underwriting association act.

Sec. 2. [62I.02] [MINNESOTA JOINT UNDERWRITING ASSOCIATION.]

Subdivision 1. [CREATION.] The Minnesota joint underwriting association is created to provide insurance coverage to any person or entity unable to obtain insurance through ordinary methods. Every insurer authorized to write insurance in this state shall be a member of the association as a condition to obtaining and retaining a license to write insurance in this state. Insurers who only write life insurance or only types of insurance for which another joint underwriting association or assigned risk plan is provided by state statute shall not be required to be a member of the joint underwriting association.

Subd. 2. [DIRECTOR.] The association shall have a board of directors composed of 11 persons chosen annually as follows: five persons elected by members of the association at a meeting called by the commissioner; three public members, as defined in section 214.02 appointed by the commissioner; and three members, appointed by the commissioner representing groups to whom coverage has been extended by the association. If at any time no coverage is currently extended by the association then either additional public members may be appointed

to fill these three positions or, at the option of the commissioner, representatives from groups who had previously been covered by the association may serve as directors.

Sec. 3. [62I.03] [DEFINITION.]

Subdivision 1. [SCOPE.] As used in sections 1 to 20 the following terms have the meanings given them in this section.

Subd. 2. [ASSOCIATION.] "Association" means the Minnesota joint underwriting association.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 4. [MEMBER.] "Member" means every insurer authorized to write and writing insurance in this state except for those who only write life insurance or only types of insurance for which another joint underwriting association or assigned risk plan is provided by Minnesota statute.

Subd. 5. [DIRECT WRITTEN PREMIUMS.] "Direct written premiums" means that amount at column (2), line 31, page 14, of the annual statement filed annually with the department of commerce pursuant to section 60A.13.

Subd. 6. [DEFICIT.] "Deficit" means, for a particular policy year and line or type of insurance, that amount by which total paid and outstanding losses and loss adjustment expenses exceed premium revenue, including retrospective premium revenue.

Sec. 4. [62I.04] [POLICY ISSUANCE.]

Any person or entity that is a resident of the state of Minnesota who has a current written notice of refusal to insure from an insurer licensed to offer insurance in the state of Minnesota may make written application to the association for coverage. The applicable premium or required portion of it must be paid prior to coverage by the association.

The application shall be filed simultaneously with the association and the market assistance plan for the association.

The association is authorized to (1) issue or cause to be issued insurance policies to applicants subject to limits specified in the plan of operation; (2) underwrite the insurance and adjust and pay losses with respect to it, or appoint service companies to perform those functions; (3) assume reinsurance from its members; and (4) cede reinsurance.

Sec. 5. [62I.05] [PLAN OF OPERATION.]

Within 45 days after the appointment of the directors of the association, the directors shall submit to the commissioner for review, a proposed plan of operation, consistent with the provisions of this chapter.

The plan of operation shall provide economic, fair, and non-discriminatory administration and for the prompt, efficient provision of insurance coverage of all types. It may contain other provisions necessary for the operation of the association, including but not limited to preliminary assessment of all members for initial expenses necessary to commence operations, establishment of necessary facilities, management of the association, assessment of members to defray losses and expenses, commission arrangements, reasonable and objective underwriting standards, acceptance and cessation of reinsurance, appointment of servicing carriers or other servicing arrangements and procedures for determining amounts of insurance to be provided by the association.

The plan of operation is subject to approval by the commissioner. If the commissioner disapproves all or any part of the proposed plan of operation, the directors shall within 15 days submit for review an appropriate revised plan of operation. If a revised plan is not submitted within 15 days the commissioner shall promulgate a plan of operation. The plan of operation approved or promulgated by the commissioner is effective and operational upon the order of the commissioner.

Amendments to the plan of operation may be made by the directors of the association subject to approval by the commissioner.

Sec. 6. [621.06] [POLICY FORMS; PREMIUM RATE.]

Subdivision 1. [REQUIREMENT.] The policies and contracts of coverage issued pursuant to this chapter shall contain the usual and customary provisions of similar insurance policies issued by private insurance companies. If a standard form is used in the private marketplace for any type of coverage that is to be extended by the association then the association shall use that form. If there are varying types of forms used in the marketplace the association may choose to use a standard policy form issued by a service organization or other entity who commonly prepares standardized types of forms. If the board determines that neither of these alternatives is appropriate then it shall adopt a policy form based upon the terms and conditions of the policies used for this type of coverage that are the most commonly used in the private market. As far as practical the board shall attempt to adopt forms that are consistent with the practice in the private market. No policy forms shall be used by the association unless it has been filed with the commissioner, and the commissioner may disapprove the form within 30 days if the commissioner determines that it is misleading, it violates public policy, or for any reason that the commissioner would be empowered to reject a similar form filed by a private company.

Subd. 2. [CANCELLATION.] If the insured fails to pay a stabilization reserve fund charge the association may cancel the policy by mailing or delivering to the insured at the insured's address shown on the policy at least ten days written notice stating the date that the cancellation is effective.

Subd. 3. [RATES.] The rates, rating plan, rating rules, rating classification and territories applicable to insurance written by the association and related statistics are subject to chapter 70A. Rates shall be on an actuarially sound basis, giving consideration to the group retrospective rating plan. The commissioner shall take all appropriate steps to make available, upon request of the association, loss and expense experience of insurers previously writing or currently writing insurance of any type the association offers or intends to offer.

Subd. 4. [APPROVAL.] All policies issued by the association are subject to the group retrospective rating plan approved by the commissioner under which the final premium for the insureds of the association, as a group, will be equal to the administrative expenses, loss and loss adjustment expenses and taxes, plus a reasonable allowance for contingency and servicing. If the board of directors feels it is appropriate and in the interest of fairness and equity, the insureds of the association may be broken down into more than one group. The rating plan may provide for varying rates within the rating plan for such groups as their relative burden to the group as a whole would merit. Policyholders shall be given full credit for all investment income, net of expenses and reasonable management fee on policyholder supplied funds. The standard premium, before retrospective adjustment, for each policy issued by the association shall be established for portions of the policy period coinciding with the association's fiscal year on the basis of the association rates, rating plans, rating rules, rating classifications and territories then in effect. The maximum premium for all policyholders of the association as a group shall be limited as provided in sections 1 to 20.

Subd. 5. [EXAMINATIONS.] The commissioner shall examine the business of the association as often as is appropriate to insure that the group retrospective rating plan is operating in a manner consistent with this chapter or other Minnesota laws. If it is found that the operation is deficient or inconsistent with this chapter or other Minnesota laws the commissioner may order the association to take corrective action.

Subd. 6. [DEFICITS.] The association shall certify to the commissioner the estimated amount of any deficit remaining after the stabilization reserve fund has been exhausted and payment of the maximum final premium for all policyholders of the association. Within 60 days after the certification, the commissioner shall authorize the association to recover the members' respective shares of the deficit by assessing all members an

amount sufficient to fully fund the obligations of the association. The assessment of each member shall be determined in the manner provided in section 7. An assessment made pursuant to this section shall be deductible by the member from past or future premium taxes due the state.

Subd. 7. [AMENDMENTS TO RATING PLAN.] In addition to the usual manner of amending the rating plan set forth in this section and section 5, the following procedure may also be used:

(1) Any person may, by written petition served upon the commissioner of commerce request that a hearing be held to amend the rating plan, or any part of the rating plan.

(2) The commissioner shall forward a copy of the petition to the chief administrative law judge within three business days of its receipt. The chief administrative law judge shall, within three business days of receipt of the copy of the petition or a request for hearing by the commissioner, set a hearing date, assign an administrative law judge to hear the matter, and notify the commissioner of the hearing date and the administrative law judge assigned to hear the matter. The hearing date must be set not less than 60 days nor more than 90 days from the date of receipt of the petition by the commissioner or the date of the commissioner's request for hearing if the commissioner is the person requesting a hearing.

(3) The commissioner shall publish a notice of the hearing in the State Register at least 30 days before the hearing date. The notice should be similar to that used for rulemaking under the administrative procedure act. Approval of the notice by the administrative law judge is not required.

(4) The hearing and all matters which occur after the hearing are a contested case under chapter 14. Within 45 days from the commencement of the hearing and within 15 days of the completion of the hearing the administrative law judge shall submit a report to the commissioner of commerce. The parties, or the administrative law judge, if the parties cannot agree, shall adjust all time requirements under the contested case procedure to conform with the 45 day requirement.

(5) The commissioner shall render a decision within ten business days of the receipt of the administrative law judge's report.

(6) If all parties to the proceeding agree, any of the previous requirements may be waived or modified.

(7) A petition for a hearing to amend the rating plan or any part of the rating plan received by the commissioner within 180 days of the date of the commissioner's decision in a prior pro-

ceeding to amend the rating plan is invalid and requires no action provided the petition involves the same rates as the previous hearing. If the petition involves matters in addition to those dealt with in the previous hearing then the additional matters shall be treated as a separate petition for hearing and a hearing may be held on those matters.

Sec. 7. [62I.07] [MEMBERSHIP ASSESSMENTS.]

A member of the association shall participate in its writings, expenses, servicing allowance, management fees and losses in the proportion that the direct written premiums of the member, excluding that portion of premiums attributable to the operation of the association written during the premium year bears to the aggregate direct written premium written in this state by all members. The members' participation in the association shall be determined annually on the direct written premiums written during the preceding calendar year as reported in the annual statements and other reports filed by the member with the commissioner.

Sec. 8. [62I.08] [APPLICATION PROCEDURE.]

A person or entity that has been denied coverage or is unable to find an insurer willing to write coverage is eligible to make an application to the association. The application shall be on a form approved by the board of directors. To show eligibility to participate in the association the applicant shall certify that the applicant has been unable to find anyone to offer the coverage sought by the applicant. No further proof shall be required of the applicant. The application shall be filed simultaneously with the association and the market assistance plan of the association.

Sec. 9. [62I.12] [ASSOCIATION ADMINISTRATION.]

Subdivision 1. [ADMINISTRATOR.] The association shall be administered by a qualified insurer or vendor of risk management services selected by the commissioner. If the commissioner deems it necessary the commissioner may select more than one person to administer the association.

Subd. 2. [DUTIES.] The administrator shall perform all services necessary to accomplish the purposes of the association, including the servicing of policies or contracts of coverage, data management, and collection of assessments.

Subd. 3. [APPEALS.] Anyone adversely affected by the decision of the administrator may object to the decision by appealing to the commissioner within 15 days after the decision. The appeal must be made by letter mailed to the commissioner with a copy to the administrator within the 15-day period. The letter must include a summary of the administrator's decision

from which the appeal is taken, the basis for the objection to the administrator's decision, and any argument or evidence in support of the appeal. Within 15 days after receipt of the letter, the administrator shall file a response, including the basis of the administrator's decision and all argument and evidence in support of the decision, with the commissioner. Within ten days after receipt of the administrator's response, the commissioner shall either affirm, reverse, or modify the administrator's decision as the commissioner deems appropriate.

Sec. 10. [62L.13] [ACTION BY THE MINNESOTA JOINT UNDERWRITING ASSOCIATION UPON THE APPLICATION.]

Subdivision 1. [GENERALLY.] Eligibility for coverage by the association is subject to the terms and conditions of subdivisions 2 and 3.

Subd. 2. [MINIMUM OF QUALIFICATIONS.] Anyone who is unable to obtain insurance in the private market and who so certifies to the association in the application is eligible to make written application to the association for coverage. Payment of the applicable premium or required portion of it must be paid prior to coverage by the association. An offer of coverage at a rate in excess of the rate that would be charged by the association for similar coverage and risk shall be deemed to be a refusal of coverage for purposes of eligibility for participation in the association. It shall not be deemed to be a written notice of refusal if the rate for coverage offered is less than five percent in excess of the joint underwriting association rates for similar coverage and risk. However, the offered rate must also be the rate that the insurer has filed with the department of commerce if the insurer is required to file its rates with the department. If the insurer is not required to file its rates with the department, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.

Subd. 3. [DISQUALIFYING FACTORS.] For good cause, coverage may be denied or terminated by the association. Good cause may exist if the applicant or insured: (1) has an outstanding debt due or owing to the association at the time of application or renewal arising from a prior policy; (2) refuses to permit completion of an audit requested by the commissioner or administrator; (3) submits misleading or erroneous information to the commissioner or administrator; (4) disregards safety standards, laws, rules or ordinance pertaining to the risk being insured; (5) fails to supply information requested by the commissioner or administrator; (6) fails to comply with the terms of the policies or contracts for coverage issued by the association.

Subd. 4. [DISQUALIFICATION AFTER COVERAGE GRANTED.] If an application is filed with the market assistance program less than 15 business days before the expiration

of the applicant's current insurance coverage, the market assistance program may continue to seek coverage for the applicant after coverage is extended by the assigned risk plan. The market assistance program will have 15 business days from the date of filing the application with the market assistance program to obtain an offer of coverage for the applicant. If the market assistance program is able to secure an offer of coverage for the applicant within 15 business days of filing of the application and if the offer of coverage would not otherwise be considered refusal for purposes of the assigned risk plan, the applicant will be deemed to be not qualified to participate in the association plan and coverage, if any, shall be terminated.

Subd. 5. [NOTICE.] An application for coverage under the association must be granted or denied within ten days after receipt by the administrator of a properly completed application and any supplemental information requested by the administrator. Anyone covered by the association must be given at least 30 days notice of nonrenewal or cancellation of coverage.

Sec. 11. [62I.14] [ASSESSMENTS.]

In the event the commissioner deems it necessary to make an assessment, an assessed insurer must pay the assessment within 30 days of receipt of notice of the assessment. The commissioner may suspend or revoke an insurer's certificate of authority and impose a civil penalty in an amount not to exceed \$5,000 for an insurer's failure to pay the assessment within the 30 day period.

Sec. 12. [62I.15] [EXTENSION OF COVERAGE.]

If the association determines that the applicant meets the underwriting standards of the association as described in the plan of operation and there is no unpaid, uncontested premium due from the application for prior insurance, including failure to make written objections to premium charges within 30 days after billing, or if there is no other allowable reason as set forth in this chapter for denial of coverage, the association upon receipt of the premium or portion of it as described in the plan of operation shall issue a policy of insurance to the applicant.

Sec. 13. [62I.16] [STABILIZATION RESERVE FUND.]

Subdivision 1. [CREATION.] There is created a stabilization reserve fund. Each policyholder shall pay to the association a stabilization reserve fund charge of 33 percent of each premium payment due for insurance through the association. This charge shall be separately stated in the policy. The association shall cancel the policy of any policyholder who fails to pay the stabilization reserve fund charge.

Subd. 2. [PAYMENT.] The association shall promptly pay into the stabilization reserve fund all fund charges it collects

from its policyholders and any retrospective premium refunds payable under the group retrospective rating plan.

Subd. 3. [SUPERVISION.] All money paid into the fund shall be held in trust by the corporate trustee selected by the board of directors. The corporate trustee may invest the money held in trust subject to the approval of the board. All investment income shall be credited to the fund. All expenses of the administration of the fund shall be charged against the fund. The money held in trust shall be used solely for the purpose of discharging when due and retrospective premium charges payable by policy holders and any retrospective premium refunds payable to policyholders under the group retrospective rating plan. Payment of retrospective premium charges shall be made upon certification of the amount due. If all money accruing to the fund is exhausted in payment of retrospective premium charges, all liability and obligations of the association's policyholders with respect to the payment of retrospective premium charges shall terminate and shall be conclusively presumed to have been discharged. Any stabilization reserve fund charges from a particular policy year and line or type of insurance not used to pay retrospective premiums must be returned to policyholders after all claims and expense obligations from that particular policy year and line or type of insurance are satisfied.

Subd. 4. [EXEMPTION.] The board of directors may upon their own motion or upon application of any applicant or insured exempt any group from the payment of the stabilization reserve charge. The exemption shall be granted only to those groups who are unable to obtain insurance coverage in the private market as a result of the private market's refusal to write coverage for that group rather than because of loss experiences or risks posed by the applicant or insured as an individual. It shall be presumed that a group is qualified for this exemption if more than 20 percent of the members of that group are unable to obtain the insurance coverage that they seek. The board of directors shall also consider granting exemption if any members of the same group are unable to obtain coverage in the private market even though no claims have been made against them or payments made on their behalf by any insurer within the last three years.

Subd. 5. [SURCHARGE.] In addition to determining the basic rate for coverages to be offered by the joint underwriting association, the association shall also develop a surcharge plan or similar method for adjusting the rate to be charged to those persons who have had claims made against them. The surcharge plan shall take into effect the risk posed to the association by the applicant or the insured. The surcharge plan shall be sufficient to provide for the sound financial operation of the plan based upon commonly agreed upon actuarial principles.

Sec. 14. [62I.17] [IMMUNITY FROM LIABILITY.]

No cause of action of any nature shall arise against the association, the commissioner or the commissioner's authorized representatives, or any other person or organization, for any statements made in good faith by them during any proceedings or concerning any matters within the scope of this chapter.

Sec. 15. [62I.18] [RIGHT OF APPEAL.]

Any applicant to the association, any person insured pursuant to this chapter or their representatives, any affected insurer, or any person who has applied for coverage pursuant to this chapter may appeal to the commissioner within 30 days after any ruling, action, or decision by or on behalf of the association with respect to those items that the plan of operation defines as appealable matters.

Sec. 16. [62I.19] [ANNUAL STATEMENTS.]

On March 1 of each year the association shall file with the commissioner a report of its transactions, financial conditions, and operations during the preceding year. The report should be on a form approved by the commissioner. The commissioner may at any time require the association to furnish additional information to assist in evaluating the scope, operation, and experience of the association.

Sec. 17. [62I.20] [MERGER OF OTHER PLANS.]

Upon application by the governing body of the liquor liability assigned risk plan authorized by section 340A.409 or the temporary joint underwriting association authorized by chapter 62F to be merged with the association, the commissioner shall, if the commissioner deems it appropriate, hold a public hearing in regard to the merger. The commissioner upon motion or upon the motion of any insured under plans shall hold a hearing. Unless it can be shown that the rights of the insured would be adversely affected by the merger or that it would be less efficient or more costly to merge the plans, the commissioner shall consent to the merger. The commissioner shall also consent to the merger at any time there are less than ten insureds in any plan."

Page 16, line 28, delete "30" and insert "46"

Page 16, after line 31, insert:

"Sec. 47. [EFFECTIVE DATE.]

Sections 3 to 20 are effective the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title as follows :

Page 1, line 9, after the semicolon, insert "creating a joint underwriting association; requiring participation by insurers;"

Page 1, line 15, before the period, insert "proposing coding for new law as Minnesota Statutes, chapter 62I"

A roll call was requested and properly seconded.

POINT OF ORDER

Olsen, S., raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Voss amendment and the roll was called. There were 56 yeas and 69 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Jaros	Murphy	Price	Staten
Battaglia	Jennings, L.	Nelson, K.	Quinn	Tomlinson
Beard	Kahn	Neuenschwander	Rest	Tunheim
Begich	Kelly	Norton	Riveness	Vellenga
Brandl	Knuth	O'Connor	Rodosovich	Voss
Brown	Kostohryz	Ogren	Sarna	Welle
Carlson, L.	Krueger	Olson, E.	Scheid	Wenzel
Cohen	Lieder	Osthoff	Schoenfeld	Wynia
Elioff	Long	Otis	Segal	
Ellingson	McLaughlin	Pappas	Simoneau	
Greenfield	Metzen	Peterson	Skoglund	
Halberg	Minne	Piper	Sparby	

Those who voted in the negative were :

Anderson, R.	Dimler	Himle	Ozment	Stanius
Backlund	Dyke	Jacobs	Pauly	Sviggum
Becklin	Erickson	Johnson	Piepho	Thiede
Bennett	Fjoslien	Kalis	Poppenhagen	Thorson
Bishop	Forsythe	Kiffmeyer	Quist	Tjornhom
Blatz	Frederick	Knickerbocker	Redalen	Tompkins
Boerboom	Frederickson	Kvam	Rees	Uphus
Boo	Frerichs	Marsh	Richter	Valan
Brinkman	Gruenes	McDonald	Rose	Valento
Burger	Gutknecht	McPherson	Schafer	Vanasek
Carlson, J.	Hartinger	Miller	Schreiber	Waltman
Clausnitzer	Hartle	Olsen, S.	Scaberg	Zaffke
Dempsey	Haukoos	Omann	Shaver	Spk. Jennings, D.
DenOuden	Heap	Onnen	Sherman	

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

Wynia moved to amend H. F. No. 1776, the second engrossment, as amended, as follows:

Page 16, after line 27, insert the following:

“Sec. 30. [62F.15] [COMPANY TO REPORT TO COMMISSIONER.]

An insurance company that intends to increase insurance premiums must send written notice of the increase to the Commissioner at least 30 days before adopting the increase.”

Renumber the remaining section

Amend the title as follows:

Page 1, line 9, after the semicolon insert “requiring notice of proposed rate increases;”

Page 1, line 15, after “chapters” insert “62F,”

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

Long moved to amend H. F. No. 1776, the second engrossment, as amended, as follows:

Page 16, after line 27, insert:

“Sec. 30. [FEE LIMIT.]

An attorney shall not contract for or collect a fee for defending any party in any civil action in excess of \$100.00 per hour for time actually and necessarily spent in preparing and conducting the defense.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after “party” insert “limiting attorney fees”

A roll call was requested and properly seconded.

The question was taken on the Long amendment and the roll was called. There were 26 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Anderson, G.
Battaglia

Begich
Brown

Cohen
Elioff

Greenfield
Jaros

Jennings, L.
Kahn

Kelly	Murphy	Olson, E.	Piper	Voss
Lieder	Nelson, D.	Pappas	Quinn	Wenzel
Long	Norton	Peterson	Schoenfeld	Wynia
McLaughlin				

Those who voted in the negative were:

Anderson, R.	Erickson	Knickerbocker	Quist	Sviggum
Backlund	Fjoslien	Kostohryz	Redalen	Thiede
Bennett	Forsythe	Krueger	Rees	Thorson
Bishop	Frederick	Kvam	Rest	Tjornhom
Boerboom	Frederickson	Marsh	Richter	Tomlinson
Boo	Frerichs	McDonald	Riveness	Tompkins
Brandl	Gruenes	McEachern	Rodosovich	Tunheim
Brinkman	Gutknecht	McKasy	Rose	Uphus
Burger	Halberg	McPherson	Schafer	Valan
Carlson, D.	Hartinger	Metzen	Scheid	Valento
Carlson, J.	Hartle	Miller	Schreiber	Vanasek
Carlson, L.	Haukoos	Munger	Seaberg	Vellenga
Clausnitzer	Heap	O'Connor	Shaver	Waltman
Dempsey	Himle	Omann	Simoneau	Welle
DenOuden	Jacobs	Onnen	Skoglund	Zaffke
Dimler	Johnson	Otis	Solberg	Spk. Jennings, D.
Dyke	Kalis	Piepho	Sparby	
Ellingson	Kiffmeyer	Poppenhagen	Stanisus	

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

H. F. No. 1776, A bill for an act relating to commerce; providing immunity to the state and municipalities for certain claims; regulating certain self-insurance pools; modifying the limitation on actions for damages based on services of construction to improve real property; abolishing the collateral source rule; requiring judgments to be paid in periodic installments rather than a lump sum upon request of either party; limiting contingent attorney's fees; abolishing punitive damages in civil actions; limiting noneconomic loss; and eliminating joint liability in tort; providing for reimbursement for certain costs in civil actions; amending Minnesota Statutes 1984, sections 466.01, subdivision 1; 466.03, subdivisions 4 and 6b, and by adding subdivisions; 471.982, subdivision 3; 541.051; 549.09, subdivision 1; 549.20, subdivision 1; 549.21; and 604.02, subdivision 1; Minnesota Statutes 1985 Supplement, section 3.736, subdivisions 1 and 3; repealing Minnesota Statutes 1984, section 549.20, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 466, 541, 548, and 549.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Backlund	Beard	Begich	Bishop
Anderson, R.	Battaglia	Becklin	Bennett	Blatz

Boerboom	Ferichs	Marsh	Piepho	Skoglund
Boo	Gruenes	McDonald	Piper	Solberg
Brandl	Gutknecht	McEachern	Poppenhagen	Sparby
Brinkman	Halberg	McKasy	Price	Stanius
Brown	Hartinger	McPherson	Quist	Sviggum
Burger	Hartle	Metzen	Redalen	Thiede
Carlson, D.	Haukoos	Miller	Rees	Thorson
Carlson, J.	Heap	Minne	Rest	Tjornhom
Carlson, L.	Himle	Murphy	Richter	Tominson
Clausnitzer	Jacobs	Nelson, K.	Riveness	Tompkins
Cohen	Jaros	Neuenschwander	Rodosovich	Tunheim
Dempsey	Jennings, L.	Ogren	Rose	Uphus
DenOuden	Johnson	Olsen, S.	Sarna	Valan
Dimler	Kalis	Olsen, E.	Schafer	Valento
Dyke	Kelly	Omann	Scheid	Vanasek
Elioff	Kiffmeyer	Onnen	Schoenfeld	Vellenga
Ellingson	Knickerbocker	Osthoff	Schreiber	Voss
Erickson	Knuth	Otis	Seaberg	Waltman
Fjoslien	Kostohryz	Ozment	Segal	Welle
Forsythe	Krueger	Pappas	Shaver	Wenzel
Frederick	Kvam	Pauly	Sherman	Zaffke
Frederickson	Lieder	Peterson	Simoneau	Spk. Jennings, D.

Those who voted in the negative were :

Greenfield	McLaughlin	Nelson, D.	O'Connor	Staten
Kahn	Munger	Norton	Quinn	Wynia

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

Halberg moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Halberg moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Riveness moved that the name of Welle be stricken and the name of Vellenga be added as an author on H. F. No. 1908. The motion prevailed.

Haukoos moved that the name of Schafer be added as an author on H. F. No. 1919. The motion prevailed.

Boo moved that the name of Osthoff be added as an author on H. F. No. 1956. The motion prevailed.

Rees moved that the name of Sarna be added as an author on H. F. No. 2207. The motion prevailed.

Johnson moved that the names of Jennings, L., and Lieder be added as authors on H. F. No. 2216. The motion prevailed.

Rees moved that the name of Backlund be added as an author on H. F. No. 2268. The motion prevailed.

Burger introduced :

House Concurrent Resolution No. 12, A house concurrent resolution endorsing an approach to transform education through a private-sector/citizen supported nonprofit national network of affiliated local and state level Citizens Centers for Improving Education formed to develop the best possible alternatives to present policies and practices.

The concurrent resolution was referred to the Committee on Education.

Waltman introduced :

House Resolution No. 42, A house resolution commending the people and schools of Zumbrota upon the centennial of the graduation of its first class.

The resolution was referred to the Committee on Education.

Long; Rest; Carlson, L., and Otis introduced :

House Resolution No. 43, A house resolution recognizing the week of March 2 to 9, 1986, as Volunteers of America Week in Minnesota.

SUSPENSION OF RULES

Long moved that the rules be so far suspended that House Resolution No. 43 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 43

A house resolution recognizing the week of March 2 to 9, 1986, as Volunteers of America Week in Minnesota.

Whereas, Volunteers of America is one of the nation's and Minnesota's largest human service organizations; and

Whereas, Volunteers of America has been helping others for nearly 90 years; and

Whereas, Volunteers of America offers nationwide programs for the elderly, families, youth, offenders, alcoholics, drug abusers, and the disabled; and

Whereas, in Minnesota, Volunteers of America operate two residential treatment centers for emotionally handicapped boys, three programs serving autistic, autistic-like, and developmentally disabled children and youth, four homes for elderly or mentally disturbed adults, 43 dining sites for seniors, 40 treatment foster homes, a pre-release and work-release correctional program serving men, a women's jail, workhouse, and work-release correctional facility, four long-term care facilities, and four housing complexes for low-income families and the elderly; and

Whereas, in Minnesota, Volunteers of America had a staff of nearly 300 and more than 1,800 volunteers providing their time and talents to enrich the lives of others; and

Whereas, it is appropriate for the House of Representatives to recognize the work and achievements of Volunteers of America;

Now, Therefore, Be It Resolved by the House of Representatives of the State of Minnesota that it designates the week of March 2 to 9, 1986, as Volunteers of America Week in Minnesota. It calls upon all Minnesotans to recognize the work and achievements of Volunteers of America.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and present it to the Minnesota District Director of the Volunteers of America.

Long moved that House Resolution No. 43 be now adopted. The motion prevailed and House Resolution No. 43 was adopted.

Carlson, D., moved that H. F. No. 1746, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

DenOuden moved that H. F. No. 2484 be recalled from the Committee on General Legislation and Veterans Affairs and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Rose moved that H. F. No. 2130, now on Technical General Orders, be re-referred to the Committee on Environment and Natural Resources.

A roll call was requested and properly seconded.

The question was taken on the Rose motion and the roll was called. There were 39 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Greenfield	Knuth	Otis	Simoneau
Bishop	Gruenes	Kostohryz	Piepho	Skoglund
Boo	Halberg	Long	Piper	Thiede
Brandl	Heap	McLaughlin	Rest	Tomlinson
Burger	Himle	McPherson	Riveness	Vanasek
Cohen	Jaros	Munger	Rodosovich	Vellenga
Ellingson	Kahn	Nelson, K.	Rose	Wynia
Forseythe	Kelly	Osthoff	Scheid	

Those who voted in the negative were:

Anderson, G.	Dyke	Lieder	Peterson	Sviggum
Backlund	Elioff	Marsh	Price	Thorson
Battaglia	Erickson	McDonald	Quinn	Tjornhom
Beard	Fjoslien	McEachern	Quist	Tompkins
Becklin	Frederick	Metzen	Redalen	Tunheim
Begich	Frederickson	Miller	Rees	Uphus
Bennett	Frerichs	Minne	Richter	Valan
Blatz	Gutknecht	Murphy	Sarna	Valento
Boerboom	Hartle	Norton	Schafer	Voss
Brown	Haukoos	O'Connor	Schoenfeld	Waltman
Carlson, D.	Jennings, L.	Olsen, S.	Schreiber	Welle
Carlson, J.	Johnson	Olson, E.	Seaberg	Wenzel
Carlson, L.	Kalis	Omann	Sherman	Spk. Jennings, D.
Clausnitzer	Kiffmeyer	Onnen	Solberg	
DenOuden	Krueger	Ozment	Sparby	
Dimler	Kvam	Pauly	Stanuis	

The motion did not prevail.

ADJOURNMENT

Halberg moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, March 5, 1986. The motion prevailed.

Halberg moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, March 5, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

SEVENTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 4, 1986

The Senate met on Tuesday, March 4, 1986, which was the Seventy-eighth Day of the Seventy-fourth Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION – 1986

SEVENTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 5, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Roger Grussing, Macalester Plymouth United Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Ellingson	Kvam	Ozment	Simoneau
Anderson, R.	Erickson	Levi	Pappas	Skoglund
Backlund	Fjoslien	Lieder	Pauly	Solberg
Battaglia	Forsythe	Long	Peterson	Sparby
Beard	Frederick	Marsh	Piepho	Stanius
Becklin	Frederickson	McDonald	Piper	Staten
Begich	Frerichs	McEachern	Poppenhagen	Sviggum
Bennett	Greenfield	McKasy	Price	Thiede
Bishop	Gruenes	McLaughlin	Quinn	Thorson
Blatz	Gutknecht	McPherson	Quist	Tjornhom
Boerboom	Hartinger	Metzen	Redalen	Tomlinson
Boo	Hartle	Miller	Rees	Tompkins
Brandl	Haukoos	Minne	Rest	Tunheim
Brinkman	Heap	Munger	Rice	Uphus
Brown	Himle	Murphy	Richter	Valan
Burger	Jacobs	Nelson, D.	Riveness	Valento
Carlson, D.	Jaros	Nelson, K.	Rodosovich	Vanasek
Carlson, J.	Jennings, L.	Neuenschwander	Rose	Vellenga
Carlson, L.	Johnson	Norton	Sarna	Voss
Clark	Kahn	O'Connor	Schafer	Waltman
Clausnitzer	Kalis	Ogren	Scheid	Welle
Cohen	Kelly	Olsen, S.	Schoenfeld	Wenzel
Dempsey	Kiffmeyer	Olson, E.	Schreiber	Wynia
DenOuden	Knickerbocker	Omamn	Seaberg	Zaffke
Dimler	Knuth	Onnen	Segal	Spk. Jennings, D.
Dyke	Kostohryz	Osthoff	Shaver	
Elioff	Krueger	Otis	Sherman	

A quorum was present.

Halberg was excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Redalen moved that further reading of the Journals be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1821, 1896, 1966, 2001, 2030, 2033, 2067, 2106, 2134, 2137, 2170, 2193, 2195, 2256, 2295, 2407, 2453, 2468, 2218, 901, 1007, 1599, 1677, 1744, 1749, 1751, 1785, 1908, 1911, 1914, 1916, 1944, 2101, 2130, 2177, 2205, 2206, 2221, 2259, 2268, 2315, 2316, 2428, 2429, 2466, 1797, 1956, 2010, 2077, 2080, 2139, 2168, 2207, 2266, 2324, 2344, 2394, 2409, 2422, 2423, 651, 2296, 2337, 2348, 2374, 2395, 1764 and 1776 and S. F. No. 125 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 720, A bill for an act relating to state departments and agencies; requiring the commissioner of administration to notify libraries about available surplus documents; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 789, A bill for an act relating to transportation; railroads; requiring occupied caboose car; requiring caboose car to be equipped with shortwave radio; imposing a penalty; amending Minnesota Statutes 1984, section 219.56; proposing coding for new law in Minnesota Statutes, chapter 219.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [219.558] [DEFINITIONS.]

As used in sections 2 and 3, the following terms have the meanings given them:

(a) *"Caboose" means a railroad car or coach used on a train to carry a train crew.*

(b) *"Terminal" means a system of tracks, whose boundaries are set by a railroad, used for coupling or uncoupling cars.*

(c) "Placarded car" means a railroad car that is required by federal regulations to display placards because the car contains hazardous materials.

(d) "Block signals" means a series of signals that control the movement of trains within a section of track.

Sec. 2. [219.559] [OCCUPIED CABOOSE IN REAR; EXCEPTION.]

Subdivision 1. [CABOOSE REQUIRED.] Except as provided in subdivision 2, a railroad company may not operate a freight train 54 cars long or longer, if the train is handling placarded cars or is operated without block signals, unless the rear car is an occupied caboose.

Subd. 2. [EXCEPTIONS.] (a) A defective freight car that cannot be entrained except behind the caboose may be the rear car from the point at which it is entrained, unless that point is a terminal where repairs can be made, to the first repair terminal.

(b) Subdivisions 1 and 3 do not apply to a train used in terminal service two miles or less from the limits of the terminal, or to a train operated on a short line railroad classified by the Interstate Commerce Commission as a class III line haul railroad.

Subd. 3. [SHORTWAVE RADIO.] No railroad company may operate a caboose unless it is equipped with an operable shortwave radio with the same frequency as the shortwave radio on the lead locomotive of the train.

Subd. 4. [ENFORCEMENT.] The commissioner shall enforce this section and may issue orders necessary to require compliance with this section.

Subd. 5. [PENALTY.] A railroad company violating this section is guilty of a misdemeanor, and upon conviction, is liable for a penalty of \$350 for each offense. The operation of a train in violation of this section constitutes a separate violation for each day or part of a day it is so operated. The penalty must be recovered in a suit brought in the name of the state in a court having jurisdiction in a county in or through which the railroad line runs, by the attorney general or by the county attorney of that county.

Sec. 3. Minnesota Statutes 1984, section 219.56, is amended to read:

219.56 [CABOOSE CARS.]

(IT SHALL BE UNLAWFUL FOR ANY) No person, corporation, or company operating any railroad (IN THE STATE

TO) shall require or permit the use of any caboose cars unless the caboose cars (BE) are at least 24 feet in length, exclusive of platforms, (AND BE PROVIDED WITH) have a door at each end (THEREOF) of the car, (AND WITH) have a dry hopper, gas or electric incinerator or other suitable toilet facilities, have cupolas, or bay windows, platforms, guard rails, grab irons, and steps for the safety of persons in alighting or getting on the caboose cars and the caboose cars shall be equipped with at least two four-wheeled trucks. Shatterproof glass shall be used in the door or doors of the caboose when the present glass in the door or doors is replaced. Each caboose, when placed in service, shall be provided with paper cups and potable water in an amount of not less than one gallon to be supplied by a water cooler, the same to be kept in a sanitary, clean and operating condition. In the event a failure of the required equipment or standards of maintenance occurs after a caboose has commenced to move in service, the railroad operating that caboose shall not be deemed in violation of this section if (SAID) the failure of equipment or standards of maintenance is corrected at the next initial terminal as defined in section 219.551, subdivision 2. All caboose cars built or purchased after January 1, 1968, shall have the underframing and superstructure (THEREOF,) constructed of steel or a material of equivalent strength and, after January 1, 1972, shall also be equipped with a cushioned underframe or cushioned draft gears and shatterproof glass in all doors and windows, and when (SAID CABOOSE CARS ARE) operated at the rear of a train, as required by section 2, they shall be equipped with a marker or markers which may consist of flags, lamps, flashing lights or reflectorized devices."

Delete the title and insert:

"A bill for an act relating to transportation; railroads; requiring occupied caboose car on certain trains; requiring caboose car to be equipped with shortwave radio; imposing a penalty; amending Minnesota Statutes 1984, section 219.56; proposing coding for new law in Minnesota Statutes, chapter 219."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Labor-Management Relations.

The report was adopted.

Forsythe from the Committee on Appropriations to which was referred:

H. F. No. 1459, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [VETERANS BONUS CLAIMS; APPROPRIATIONS; GENERAL FUND.]

Subdivision 1. [GENERALLY.] The sums set forth in this section are appropriated from the general fund to the persons named in subdivisions 2 to 4 in full and final payment of claims against the state for adjusted compensation arising from World War II, the Korean Conflict, and Vietnam service.

Subd. 2. [WORLD WAR II.] Donald E. George, 2273 Macon Street, Aurora, Colorado 80010 \$270.

Rodney P. Kephart, P.O. Box 252, Stanley, North Dakota 58784 \$400.

Everett Oolman, Rte. 1, Box 98AH, Fulda, Minnesota 56131 \$400.

Lyle F. Redmond, 4434-41st Avenue South, Minneapolis, Minnesota 55406 \$275.

Loren C. Smith, Sr., 5521-79th Street, Sacramento, California 95820 \$400.

Subd. 3. [KOREAN CONFLICT.] Ronald W. Adams, 1008 9th Street, International Falls, Minnesota 56649 \$67.50.

Edward Beckett (beneficiary), 1294 West Front Street, Lincolnton, New Jersey 07738 \$80.

Jay L. Jacobson, 3210 Leyland Trail, Woodbury, Minnesota 55125 \$97.50.

Robert A. Krech, 1200 East 18th Street, Hastings, Minnesota 55033 \$105.

Viola Leipzig (beneficiary), 5257 Lost Creek Road, Shingle Springs, California 95682 \$80.

DuWayne P. Lewis, 805 Filmore, Apartment 409, Alexandria, Minnesota 56308 \$52.50.

Arnold W. McCluskey, 418 Sargent Road, Box 783, Willernie, Minnesota 55090 \$45.

Lillian McGee (beneficiary), 1940 Peosta, Helena, Montana 59601 \$80.

Richard F. Rauchnot, P. O. Box 52, Lakeland, Minnesota 55003
.....\$52.50.

Lucille Ripplinger (beneficiary), 912-9th Street, Cloquet, Minnesota 55720\$80.

James L. Westphal, 3852 Minuteman Lane, Lexington, Minnesota 55112\$157.50.

Eleanor Wong (beneficiary), 556 Broadway, Helena, Montana 59601\$80.

Subd. 4. [VIETNAM SERVICE.] Roy J. Alder, Box 222, Audubon, Minnesota 56511\$300.

Robert H. Anderson, 1207 Garney Avenue, Mankato, Minnesota 56001\$600.

William R. Barnes, 1049-1/2 South Norton Avenue, Los Angeles, California 90019\$600.

Richard A. Bjur, 103 Hillside Street West, Big Lake, Minnesota 55809\$100.

Thomas L. Blake, 622 South 10th Street, #4, Moorhead, Minnesota 56560\$300.

Susan L. Brouse, 2180 Londin Lane, Apartment 213, St. Paul, Minnesota 55119\$285.

Reginal L. Bruggeman, 101 South Tindolph, Thief River Falls, Minnesota 56701\$100.

Clifton Curtis, Jr., 925-30th Avenue South, #102, Minneapolis, Minnesota 55406\$300.

Anthony T. Fronk, 832 Case Avenue, Apartment-Up, St. Paul, Minnesota 55106\$105.

Margaret S. Gaworecki, 1512 North Cedar, Owatonna, Minnesota 55060\$285.

Harley J. Goodman, 2832 Chicago Avenue South, #102, Minneapolis, Minnesota 55407\$300.

Donald N. Grattan, Route 3, Box 335, Brainerd, Minnesota 56401\$600.

Julie Ann Harris, P.O. Box 354, Pinewood, Minnesota 56664
.....\$100.

Albertha Hill (beneficiary), 103 DeAnn Street, Crystal Springs, Mississippi 39083 \$1,000.

Joseph F. Holstein, Schley Route, Cass Lake, Minnesota 56633 \$100.

Walter P. Hoppe, P. O. Box 313, Victor, Montana 59875 \$135.

Donald H. Hutchins, 1205 Main Prairie Road, St. Cloud, Minnesota 56301 \$300.

Obie Irvin, 3518 Nicollet Avenue South, #307, Minneapolis, Minnesota 55408 \$510.

Jon F. Jennings, 1260 Oakview Drive, #4, St. Charles, Minnesota 55972 \$195.

Laurence R. Jensen, 10527 202nd Street West, Lakeville, Minnesota 55044 \$600.

Richard C. Kachman, 3244 30th Avenue South, Minneapolis, Minnesota 55406 \$300.

Randall A. LaKosky, P.O. Box 1188, Virginia, Minnesota 55792 \$255.

Ronald F. Lawrence, 1200 East 18th Street, Hastings, Minnesota 55033 \$180.

Harold D. Lee, Route 2, Box 55, Newfolden, Minnesota 56738 \$600.

John F. Manikowski, 4233 Jackson Street Northeast, Minneapolis, Minnesota 55421 \$100.

James A. Martin, 2118 Senate Drive, Bismarck, North Dakota 58501 \$100.

Robert D. McMahon, c/o Johnson Accounting Service, 780 East 7th Street, St. Paul, Minnesota 55106 \$285.

Bruce D. McPhee, P.O. Box 75634, St. Paul, Minnesota 55175 \$225.

David H. Mueller, 1712 West 82nd Street, Inver Grove Heights, Minnesota 55075 \$600.

Lloyd W. Myers, Jr., 710 North Prairie Street, Lake City, Minnesota 55041 \$300.

Wayne R. Naplin, Star Rt., Box 63, Chesaw-Oroville, Washington 98844 \$600.

Randall A. Nicholas, Route 3, Box 310-A, Alexandria, Minnesota 56308 \$600.

John W. Nixon, Route 8, St. Cloud, Minnesota 56301 \$300.

Harold B. Oen, 2821 Idaho Avenue North, Crystal, Minnesota 55427 \$210.

Steven E. Ohlemann, 260 8th Street, Tracy, Minnesota 56175 \$300.

William A. Olson, 103-17th Street, Cloquet, Minnesota 55720 \$165.

Richard A. Pedersen, 6120 Oxboro Avenue North, #222, Stillwater, Minnesota 55082 \$195.

David L. Peloquin, 4028 Cleveland Street Northeast, Columbia Heights, Minnesota 55421 \$270.

Alton A. Peterson, 17527 Cherry Drive, Eden Prairie, Minnesota 55344 \$300.

Lyll B. Peterson, Box 182, Anoka, Minnesota 55303 \$105.

Steven M. Peterson, 9408 Elliot Avenue South, Bloomington, Minnesota 55420 \$100.

James L. Roderick, 538 Jackson, Elk River, Minnesota 55330 \$300.

William W. Spry, Box 31, Deer River, Minnesota 55744 \$100.

Charles R. Stevens, Jr., Route 1, Box 172, Chisholm, Minnesota 55719 \$300.

William E. Tolrud, RR 2, Deer River, Minnesota 56636 \$105.

Sec. 2. [OTHER GENERAL FUND CLAIMS.]

Subdivision 1. The sums set forth in this section are appropriated from the general fund to the persons named in this section in full and final payment of claims against the state. This appropriation is available until June 30, 1987.

Subd. 2. Steven R. Hamberg, c/o Paulette Calderon, Freeborn County Department of Court Services, Courthouse, Albert Lea, Minnesota 56007, for medical expenses incurred while claimant was doing court-ordered community service restitution \$276.95.

Subd. 3. Rufus L. Hare, 1819 Plymouth Avenue North, Minneapolis, Minnesota 55411, for an injury received while doing his assigned tasks at Minnesota correctional facility-Stillwater, which resulted in a permanent partial disability of his right hand \$2,142.

Subd. 4. Dudley L. Johnson, 911 Oakland Park Road, P. O. Box 716, Thief River Falls, Minnesota 56701, to replace the prosthetic arm he has been using since he lost his right arm while doing his assigned tasks at the Minnesota correctional facility-Red Wing, in 1955. This appropriation is to the commissioner of corrections to pay the necessary expenses related to replacing the arm and maintaining it in proper working order, to remain available until expended and without prejudice to future claims for future medical and prosthetic expenses \$10,000.

Subd. 5. Robert Letourneau, No. 119469, Minnesota Correctional Facility-St. Cloud, Box B, St. Cloud, Minnesota 55301, for an injury received while doing his assigned tasks at Minnesota Correctional Facility-St. Cloud, which resulted in a permanent partial disability of his left thumb \$1,000.

Subd. 6. Richard Love, c/o Lynnette Gagne, Restitution Coordinator, St. Louis County Division, Courthouse, Duluth, Minnesota 55802, for medical expenses for an injury claimant received while doing court-ordered community service restitution \$34.95.

Subd. 7. Oscar T. Overgaard, Route 2, Luverne, Minnesota 56156, indemnity for cattle destroyed to prevent the spread of brucellosis \$5,000.

Subd. 8. RAM, a Scott County Juvenile, c/o Dennis Miller, Scott County Probation Officer, Suite 207, Courthouse, Shakopee, Minnesota 55379, for medical expenses for an injury claimant received while doing court-ordered community service restitution \$22.

Subd. 9. Johnnie B. Rodgers, No. 111113, Minnesota Correctional Facility-Stillwater, Box 55, Stillwater, Minnesota 55082, for a pair of shoes that were medically necessary because of an injury received while doing his assigned tasks at Minnesota Correctional Facility-Stillwater \$32.

Subd. 10. Todd County Wetlands Hearings Unit, c/o Robert Mostad, Chairman, Route 2, Box 49, Osakis, Minnesota 56360,

for legal fees incurred in the state's appeal of the Hearings Unit's decision. . . . \$16,566.82.

Subd. 11. Amidon W. Triebwasser, Box 172, Cotton, Minnesota 55724, indemnity for bison destroyed to prevent the spread of tuberculosis. . . . \$3,040.

Subd. 12. Brad D. Ward, 6300 Morgan Avenue South, Richfield, Minnesota 55423, for medical expenses for an injury claimant received when attacked by another inmate at Minnesota correctional facility-Stillwater. This appropriation is to the commissioner of corrections to pay the necessary expenses to complete facial surgery when it is performed. . . . \$2,000.

Subd. 13. City of Wayzata, 600 Rice Street, Wayzata, Minnesota 55391, for unemployment compensation benefits paid as ordered by a referee, whose order was finally reversed on appeal. . . . \$4,775.

Sec. 3. [TRUNK HIGHWAY FUND CLAIMS.]

Subdivision 1. The sums set forth in this section are appropriated from the trunk highway fund to the commissioner of transportation for payment to the persons named in this section in full and final payment of claims against the state. This appropriation is available until June 30, 1987.

Subd. 2. Township of Breitung, Box 56, Soudan, Minnesota 55782, as a refund of amounts paid for reconveyance of land that had been conveyed to the state for \$1. . . . \$500.

Subd. 3. City of Chisago City, 29246 Old Towne Road, Chisago City, Minnesota 55013, for costs incurred in acquiring land to build a frontage road north of U. S. highway 8. . . . \$110,000.

Subd. 4. Culdrum Township, Swanville Township, City of Swanville, Route 2, Box 130, Little Falls, Minnesota 56345, for repairs to town and city roads necessitated by excess traffic caused by the closure of a state highway for construction. . . . \$3,470.56.

Sec. 4. [GAME AND FISH FUND CLAIM.]

Subdivision 1. The sum set forth in this section is appropriated from the game and fish fund to the commissioner of natural resources for payment to the person named in this section in full and final payment of claims against the state. This appropriation is available until June 30, 1987.

Subd. 2. Morey's Fish Company, P.O. Box 248, Motley, Minnesota 56466, for loss of value to a commercial fish warehouse and

processing plant due to the elimination of commercial fishing on Lake of the Woods \$27,500.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred :

H. F. No. 1793, A bill for an act relating to game and fish; authorizing stocking of fish in certain streams where public access is granted; amending Minnesota Statutes 1984, section 97.485.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred :

H. F. No. 1880, A bill for an act relating to human services; providing for a change in medical assistance and general assistance medical care reimbursements for treatment of mental illness; providing for a utilization review system of inpatient mental health care; amending Minnesota Statutes 1985 Supplement, section 256.969, subdivision 2.

Reported the same back with the following amendments :

Page 2, line 5, delete "*establish*" and insert "*contract with*"

Page 2, line 6, delete "*system*" and insert "*agent*" and delete everything after "*monitor*" and insert "*length of stay, appropriateness of treatment, and quality of mental health care. The commissioner shall limit payments based upon recommendations from the utilization review agent*"

Page 2, line 7, delete everything before the period

Page 2, line 9, after "for" insert "*mental illness services or*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1979, A bill for an act relating to state government; regulating fees for state agency services; amending Minnesota Statutes 1985 Supplement, sections 16A.128 and 16A.1281.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 3.981, subdivision 2, is amended to read:

Subd. 2. [COSTS MANDATED BY THE STATE.] “Costs mandated by the state” means increased costs that a local agency or a school district is required to incur as a result of:

(a) a law enacted after June 30, 1985, which mandates a new program or an increased level of service of an existing program;

(b) an executive order issued after June 30, 1985, which mandates a new program;

(c) an executive order issued after June 30, 1985, which implements or interprets a state statute and, by this implementation or interpretation, increases program levels above the levels required before July 1, 1985;

(d) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which implements or interprets a federal statute or regulation and, by this implementation or interpretation, increases program or service levels above the levels required by this federal statute or regulation;

(e) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which implements or interprets a statute or amendment adopted or enacted pursuant to the approval of a statewide ballot measure by the voters and, by this implementation or interpretation, increases program or service levels above the levels required by the ballot measure;

(f) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which removes an option previously available to local agencies and thus increases program or service levels or prohibits a specific activity and so forces local agencies to use a more costly alternative to provide a mandated program or service;

(g) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which requires that an existing pro-

gram or service be provided in a shorter time period and thus increases the cost of the program or service;

(h) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which adds new requirements to an existing optional program or service and thus increases the cost of the program or service as the local agencies have no reasonable alternatives other than to continue the optional program;

(i) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which creates new revenue losses stemming from new property or sales and use tax exemptions; (OR)

(j) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which requires costs previously incurred at local option that have subsequently been mandated by the state; or

(k) a statute enacted or an executive order issued after the effective date of this section which requires payment of a new fee or increases the amount of an existing fee.

Sec. 2. Minnesota Statutes 1985 Supplement, section 16A.128, is amended to read:

16A.128 [FEE SETTING.]

Subdivision 1. [POLICY.] *Agency fees and fee adjustments shall not exceed amounts established by statute. Where amounts are not established by statute, fees shall be established or adjusted as provided in this section.*

The legislature, in setting or adjusting fees, or taking actions affecting the setting or adjusting of fees, should attempt to ensure that (1) agency fees and fee adjustments include only those service-related costs that provide a primary benefit to the individual fee payer and (2) service-related costs that benefit the general community are borne by the agency.

Subd. 1a. [APPROVAL.] Fees for accounts for which appropriations are made may not be established or adjusted without the approval of the commissioner. If the fee or fee adjustment is required by law to be fixed by rule, the commissioner's approval must be in the statement of need and reasonableness. These fees must be reviewed each fiscal year. Unless the commissioner determines that the fee must be lower, fees must be set or fee adjustments must be made so the total fees nearly equal the sum of the appropriation for the accounts. (PLUS) *Fees may not include the agency's (GENERAL) actual support costs, statewide indirect costs, and attorney general costs attributable to the fee function.*

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.

Subd. 2a. [PROCEDURE.] Other fees not fixed by law must be fixed by rule (. THE PROCEDURE FOR NONCONTROVERSIAL RULES IN SECTIONS 14.21 TO 14.28 MAY BE USED EXCEPT THAT NO PUBLIC HEARING NEED BE HELD UNLESS 20 PERCENT OF THE PERSONS WHO WILL BE REQUIRED TO PAY THE FEE SUBMIT TO THE AGENCY DURING THE 30-DAY PERIOD ALLOWED FOR COMMENT A WRITTEN REQUEST FOR A PUBLIC HEARING ON THE PROPOSED RULE. THE NOTICE OF INTENTION TO ADOPT THE RULES MUST STATE WHETHER A HEARING WILL BE HELD IF NOT REQUIRED. THIS PROCEDURE MAY BE USED ONLY WHEN THE TOTAL FEES ESTIMATED FOR THE BIENNIUM DO NOT EXCEED THE SUM OF DIRECT APPROPRIATIONS, INDIRECT COSTS, TRANSFERS IN, AND SALARY SUPPLEMENTS FOR THAT PURPOSE. A PUBLIC HEARING IS REQUIRED TO FIX FEES SPENT UNDER OPEN APPROPRIATIONS OF DEDICATED RECEIPTS) *according to chapter 14. Before an agency submits notice to the state register of intent to adopt rules that establish or adjust fees, the agency must send a copy of the notice and the proposed rules to the chairs of the house appropriations committee and senate finance committee.*

Sec. 3. Minnesota Statutes 1985 Supplement, section 16A.1281, is amended to read :

16A.1281 [REPORT ON LOW OR HIGH FEES.]

Each biennium the commissioner shall review fees collected by agencies. The commissioner shall report on the fees to the *commissioner of revenue and to the appropriation and finance committees not later than the date the governor submits the biennial budget to the legislature. The report must analyze the fees that the commissioner believes will be too low or too high in the next*

biennium for the service provided. The analysis must take into account the cost of collecting the fee *and state the revenue generated by the fees of each agency.*

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to all fees established or adjusted after that date. Section 2, subdivision 1, and section 3 are effective the day following final enactment. The remainder of section 2 is effective July 1, 1987, and applies to all fees established or adjusted after that date.

Delete the title and insert :

"A bill for an act relating to state government; expanding when fiscal notes must be prepared; regulating fees for state agency services; amending Minnesota Statutes 1985 Supplement, sections 3.981, subdivision 2; 16A.128; and 16A.1281."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2000, A bill for an act relating to housing; requiring notification of the use of pesticides; amending Minnesota Statutes 1984, section 504.22.

Reported the same back with the following amendments :

Page 1, line 9, delete "*Every owner of*"

Page 1, delete lines 10 and 11

Page 1, line 12, delete "*to the tenant's unit*" and insert "*It shall be the duty of any person applying rodenticide to any residential rental unit to provide written notice of the application to an adult resident of any occupied unit*"

Page 1, line 13, delete "*pesticides*" and insert "*rodenticides*"

Page 1, line 15, delete "*pesticide*" and insert "*rodenticide*"

Page 1, line 17, delete "*pesticides*" and insert "*rodenticides*"

Amend the title as follows :

Page 1, line 3, delete "pesticides" and insert "rodenticides"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2020, A bill for an act relating to the state board of investment; prohibiting investment decisions made for non-economic reasons; amending Minnesota Statutes 1984, section 11A.04.

Reported the same back with the following amendments:

Page 1, lines 13 and 14, delete the new language and insert "*and the decisions relating to investments shall be made primarily for economic reasons*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2166, A bill for an act relating to state government; ratifying certain labor agreements and compensation and salary plans; granting authority to the legislative commission on employee relations.

Reported the same back with the following amendments:

Page 2, line 8, before the period insert "*, except that the salary of the commissioner of human services is \$62,494; the salary of the chief administrative law judge, office of administrative hearings, is \$57,060; the salary of the chairman, metropolitan council, is \$52,000; the salary of the commissioner of veterans affairs is \$48,100; and the salary of a commissioner, public utilities commission, is \$44,850*"

Page 2, after line 25, insert:

"Subd. 12. The negotiated and arbitrated labor agreement between the state of Minnesota and the bureau of criminal apprehension agents' association, Minnesota conservation officers' as-

sociation, and Minnesota state patrol officers' association, approved by the legislative commission on employee relations on February 24, 1986, is ratified."

With the recommendation that when so amended the bill pass.

The report was adopted.

Forsythe from the Committee on Appropriations to which was referred:

H. F. No. 2190, A bill for an act relating to the family farm security program; authorizing the issuance of general obligation bonds to finance certain payments to be made by the state on family farm loan guarantees; appropriating money; amending Minnesota Statutes 1984, sections 41.51; and 41.56, subdivision 4b; Minnesota Statutes 1985 Supplement, section 41.61; and proposing coding for new law in Minnesota Statutes, chapter 41.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 41.51, is amended to read:

41.51 [PURPOSE.]

In order to aid farmers in obtaining credit for the acquisition of farm real estate, there is established a family farm security program (WHICH SHALL) to provide state money in guarantee of loans made according to (THE PROVISIONS OF LAWS 1976, CHAPTER 210) *this chapter. The family farm security program established by this chapter, and the issuance of state bonds under section 5, is necessary to develop the state's agricultural resources.*

Sec. 2. Minnesota Statutes 1984, section 41.56, subdivision 4b, is amended to read:

Subd. 4b. [PROCEEDS OF SALE.] Proceeds from the sale of a parcel of property obtained by the state (PURSUANT TO) *under this section shall be paid into the state family farm program bond account to the extent that proceeds of bonds issued under section 5, have been expended by the commissioner of agriculture for the purposes specified in section 5. The balance of the sale proceeds shall be paid into the general fund to the extent that funds were disbursed as payment adjustments by the commissioner and into the special account authorized in section 41.61, subdivision 1, to the extent that funds from the*

special account were disbursed according to the terms of the family farm security loan guarantee and for any insurance premiums or taxes paid on the property. Proceeds in excess of these amounts shall be paid to the lender to the extent that payment to the lender pursuant to the loan guarantee was less than the money due and payable to the lender under the family farm security loan. Proceeds in excess of these amounts shall be paid to cooperating agencies according to the terms of the family farm memorandum of understanding. Additional proceeds, if any, shall be paid into the special account authorized in section 41.61, subdivision 1.

Sec. 3. Minnesota Statutes 1984, section 41.57, is amended by adding a subdivision to read:

Subd. 4. [ADDITIONAL PAYMENT; PRINCIPAL REDUCTION.] (a) The commissioner must annually pay to qualified sellers of property, financed by a family farm security loan, an amount approximately equal to the additional state income tax paid as a result of the inclusion in gross income of the interest and payment adjustment earned on a seller sponsored family farm security loan. No payment may be made under this subdivision to a qualified seller, unless the seller agrees to reduce the outstanding principal amount of the loan by three percent effective beginning for the year in which application is made.

(b) The payment amount must be determined as follows:

(1) In order to qualify for a payment, the seller must apply to the commissioner by October 1, 1986. The application must include a copy of the seller's 1985 state income tax return. The commissioner must recompute the seller's total state income tax liability that would be due if the interest and payment adjustment amounts were not includable in gross income for state income tax purposes. The commissioner may require the seller to compute these amounts as part of the application. For calendar year 1986 the amount of the payment equals the reduction in state income tax liability that would occur if the interest and payment adjustment were not included in gross income for state tax purposes.

(2) For calendar years beginning with 1987, the additional payment amount must be determined as follows: (A) The calendar year 1986 payment must be divided by the amount of interest and payment adjustment received during calendar year 1986. (B) The resulting quotient must be multiplied by the interest and payment adjustment received for the calendar year. (C) The product determined under clause (B) is the payment for the calendar year.

(c) If for a tax year after 1986 the qualified seller's taxable income has changed substantially, the commissioner may

provide by rule that upon reapplication a later tax year will be used to compute the quotient under clause (b)(2)(A).

(d)(1) If the seller elects to receive payments under this subdivision, the buyer's payments of principal and interest under the loan must be recalculated. The revised payment schedule must reflect the three percent reduction in the outstanding principal required by paragraph (a) and must provide for equal payments over the remaining term of the loan. The interest rate on the loan may not be increased.

(2) The state's payment adjustment under subdivision 2 and the amount of the payment under paragraph (b) of this subdivision must be calculated on the basis of the outstanding principal amount of the loan before the reduction required by paragraph (a).

(e) The commissioner may make the payments under this subdivision in the same manner provided for the payment adjustment under subdivision 2.

(f) For purposes of this subdivision, the following terms have the meanings given:

(1) "Gross income" means gross income as defined for purposes of chapter 290.

(2) "Qualified seller" means an individual who sold farm land under a seller sponsored loan after April 1, 1978 and before June 28, 1985, and who is a resident of Minnesota during the calendar year and is subject to the payment of Minnesota income taxes.

Sec. 4. Minnesota Statutes 1985 Supplement, section 41.61, is amended to read:

41.61 [APPROPRIATIONS.]

Subdivision 1. [SPECIAL ACCOUNT; STANDING APPROPRIATION.] There is created a special account in the state treasury for the purposes of financing the family farm security program.

The amount needed from time to time to pay lenders for defaulted loans and make other payments authorized by this chapter including insurance premiums, taxes, repairs and maintenance costs, advertising, and other sales expenses on defaulted farms is appropriated from the special account to the commissioner. Money is also appropriated to the commissioner from the special account so that the commissioner may purchase the rights of first lienholders at mortgage foreclosure sales and satisfy certain fixture loans. The sum of all outstanding

family farm security loans guaranteed by the commissioner at any time may not exceed \$100,000,000. All bond proceeds received in the fund must be used only for the purposes specified in section 5.

Sec. 5. [41.62] [GENERAL OBLIGATION BONDS.]

Subdivision 1. [PROCEDURE.] Upon request of the commissioner of agriculture, the commissioner of finance is authorized to issue general obligation bonds of the state in a principal amount not exceeding \$20,000,000 to acquire public lands by providing money to be paid by the commissioner of agriculture from the special account established by section 41.61 to pay lenders for defaulted loans and to purchase the rights of first lienholders at mortgage foreclosure sales. The bonds shall be secured as provided in the Minnesota Constitution, article XI, section 7, and, except as provided in this section, shall be issued and secured as provided in Minnesota Statutes, section 16A.641. The proceeds of the bonds, except any premium and accrued interest, shall be deposited in the special account established in section 41.61 and used solely for the purposes specified above and in section 16A.641, subdivision 8. The premium and accrued interest, if any, shall be deposited in the state family farm security program bond account in the state bond fund. The commissioner shall issue only the amount of bonds as from time to time the commissioner determines are necessary for the purposes specified in this section.

Subd. 2. [TERMS OF BONDS.] The commissioner of finance may fix the terms of the bonds in any manner permitted for bonds of a municipality under chapter 475, and may enter into, on behalf of the state, all agreements deemed necessary for this purpose, including those authorized to be entered into by municipalities in chapter 475.

Subd. 3. [SALE OF BONDS.] If determined by the commissioner of finance to be necessary in order to reduce costs of issuance, to secure a favorable prevailing interest rate, or to receive the bond proceeds by a specified date, or if the terms of the bonds are fixed as provided in sections 475.54, subdivision 5a, and 475.56, paragraph (b), the bonds may be sold by negotiation and without solicitation of sealed bids.

Subd. 4. [BOND FUND ACCOUNT.] The commissioner of finance shall maintain in the state bond fund a separate book-keeping account that shall be designated as the state family farm security program bond account, to record receipts and disbursements of money transferred to the fund to pay bonds issued under this section and to record income from the investment of the money. The income shall be credited to the account in each fiscal year in an amount equal to the approximate average return that year on all funds invested by the commissioner of finance, as de-

terminated by the commissioner of finance, times the average balance in the account that year.

Subd. 5. [TRANSFERS, APPROPRIATION.] In addition to the money required to be transferred to the state family farm security program bond account under section 41.56, subdivision 4b, and in order to reduce the amount of taxes otherwise required by the Minnesota Constitution to be levied for the state bond fund, the commissioner of finance shall transfer from the general fund to the state family farm security program bond account, on December 1 in each year, a sum of money sufficient in amount, when added to the balance then on hand in that account, to pay all bonds issued under this section and the interest on them due and to become due to and including July 1 in the second ensuing year. All money to be so credited and all income from its investment is annually appropriated for the payment of the bonds and interest on them, and shall be available in the state family farm security program bond account before the levy of the tax in any year required by the Minnesota Constitution, article XI, section 7. The legislature may also appropriate to the state family farm security program bond account any other money in the state treasury not otherwise appropriated, for the security of bonds issued under this section in the event that sufficient money should not be available in the account from the appropriation in this section, before the levy of the tax in any year. The commissioner of finance shall make the appropriate entries in the accounts of the respective funds.

Subd. 6. [CONSTITUTIONAL LEVY.] On or before December 1 in each year the state auditor shall levy on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then in the state family farm security program bond account, to pay the entire amount of principal and interest due then or earlier and principal and interest to become due on or before July 1 in the second year thereafter on bonds issued under this section. This tax shall be levied upon all real property used for a homestead, as well as other taxable property, notwithstanding section 273.13, subdivisions 6 and 7. The tax must not be limited in rate or amount until all the bonds and interest on them are fully paid. The proceeds of this tax are appropriated and shall be credited to the state bond fund, and the principal and interest on the bonds are payable from all the proceeds. As much of the proceeds as is necessary, is appropriated for the payments. If at any time there is insufficient money from the proceeds of the taxes to pay the principal and interest when due on the bonds, the principal and interest must be paid out of the general fund in the state treasury, and the amount necessary for the payment is appropriated.

Subd. 7. [COMPLIANCE WITH FEDERAL LAW.] The commissioner of finance is authorized to covenant and agree with the holders of the bonds issued under this section that the state will comply, insofar as possible, with the provisions of the

United States Internal Revenue Code now or hereafter enacted that are applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be includable in gross income for federal tax purposes.

Subd. 8. [TAXABILITY OF INTEREST.] The bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes.

Sec. 6. [APPROPRIATIONS FOR FAMILY FARM SECURITY PROGRAM.]

Subdivision 1. [OPERATING EXPENSES.]

\$660,000 in fiscal year 1986 and \$2,500,000 in fiscal year 1987 are appropriated to the commissioner of agriculture for transfer to the family farm security account in the special revenue fund created by Minnesota Statutes, section 41.61, subdivision 1, for accrued interest payments and other program expenses.

Notwithstanding the provisions of Laws 1985, First Special Session chapter 10, section 5, subdivision 3, no more than eight new loan guarantees may be approved for the biennium ending June 30, 1987, unless the guarantees are for loans to purchase properties held by the state or for the purchase of properties currently guaranteed under the family farm security program.

If the appropriation for 1986 is insufficient, the 1987 appropriation is available for it.

Subd. 2. [GENERAL CONTINGENT.]

\$830,000 in fiscal year 1986 is appropriated from the general fund and is to be added to the appropriation in Laws 1985, First Special Session chapter 13, section 45 for the same purpose.

The appropriation represents repayment to the account of advances made in 1986 for the family farm security program.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day after their final enactment."

Delete the title and insert:

“A bill for an act relating to the family farm security program; authorizing the issuance of general obligation bonds to finance certain payments to be made by the state on family farm loan guarantees; providing an additional payment to certain sellers; appropriating money; amending Minnesota Statutes 1984, sections 41.51; 41.56, subdivision 4b; and 41.57, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 41.61; and proposing coding for new law in Minnesota Statutes, chapter 41.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2229, A bill for an act relating to intoxicating liquor; authorizing the city of Vadnais Heights to issue up to five additional on-sale licenses.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 340A.404, subdivision 5, is amended to read:

Subd. 5. [WINE LICENSES.] A municipality may issue an on-sale wine license with the approval of the commissioner to a restaurant *or club* having facilities for seating at least 25 (GUESTS) persons at one time. A wine license permits the sale of wine of up to 14 percent alcohol by volume for consumption with the sale of food.

Sec. 2. Minnesota Statutes 1985 Supplement, section 340A.404, is amended by adding a subdivision to read:

Subd. 5a. [CATERERS; WINE LICENSES.] A statutory or home rule city may issue a wine on-sale license to a catering service whose principal place of business is within the city, with the approval of the commissioner. The license authorizes the licensee only to dispense wine at events held on premises within the city to persons attending such events, for consumption on the premises. The license authorizes dispensing of wine of up to 14 percent alcohol in connection with the serving of food at an event. The city may designate in the license the premises or events at which the licensee may dispense wine. For purposes of section 340A.409, subdivision 4, clause (3), the

“sales of wine” of a licensee under this section is the licensee’s gross revenues attributable to the dispensing of wine.

Sec. 3. Minnesota Statutes 1985 Supplement, section 340A.413, subdivision 4, is amended to read:

Subd. 4. [EXCLUSIONS FROM LICENSE LIMITS.] On-sale intoxicating liquor licenses may be issued to the following entities by a city, in addition to the number authorized by this section:

(1) clubs, or congressionally chartered veterans organizations;

(2) restaurants located at a racetrack licensed under chapter 240;

(3) restaurants, clubs, and catering services that are issued licenses to sell wine under section 340A.404, (SUBDIVISION) subdivisions 5 and 5a;

(4) Lake Superior tour boats that are issued licenses under section 340A.404, subdivision 8; and

(5) theaters that are issued licenses under section 340A.404, subdivision 2.

Sec. 4. Minnesota Statutes 1984, section 383C.293, is amended to read:

383C.293 [SEASONAL TERM ON-SALE LIQUOR LICENSES.]

In addition to the number of licenses permitted (PURSUANT TO MINNESOTA STATUTES, SECTION 340.11, SUBDIVISION 10) *by law*, the county board of St. Louis County may issue (NOT MORE THAN TEN) seasonal on-sale licenses for the sale of intoxicating liquor. The fee for such licenses, which shall be valid for a specified period of not to exceed six months, shall be fixed by the county board. Not more than one license shall be issued for any one premises during any consecutive 12-month period. All other provisions of Minnesota Statutes, (SECTION 340.11, SUBDIVISION 10 GOVERNING THE ISSUANCE OF LICENSES AND OF) chapter (340) 340A governing the *issuance of licenses and the sale of intoxicating liquor* shall apply to a license issued pursuant to this section.

Sec. 5. [POPE COUNTY; SEASONAL ON-SALE LICENSE.]

In addition to any other licenses authorized by law the county board of Pope county may issue one seasonal on-sale intoxicating

liquor license to a resort located on Lake Minnewaska. The fee for the license, which shall be valid for a specified period not exceeding six months, shall be set by the county board. All other provisions of Minnesota Statutes, chapter 340A governing the issuance of licenses and the sale of intoxicating liquor shall apply to a license issued pursuant to this section.

Sec. 6. [LAKE MINNETONKA LIQUOR LICENSES.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, except where the context requires otherwise, the terms defined in this section have the meanings given them.

(b) "District" means the Lake Minnetonka Conservation District, a public corporation and political subdivision of the state created pursuant to Laws 1967, chapter 907, as amended by Laws 1969, chapter 272.

(c) "Lake" means Lake Minnetonka, Hennepin and Carver counties, Minnesota.

Subd. 2. [POWERS.] The district is deemed a municipality within the meaning of the liquor act, Minnesota Statutes, chapter 340A and, subject to limitations provided in this section, has, on the lake, all powers conferred on municipalities by chapter 340A.

Subd. 3. [LIQUOR LICENSES.] The powers of the district under the liquor act are subject to the following conditions and limitations:

(a) Only intoxicating on-sale licenses, nonintoxicating malt liquor on-sale licenses, and wine on-sale licenses as defined in chapter 340A may be issued by the district.

(b) No more than 14 on-sale intoxicating liquor licenses may be issued by the district exclusive of licenses described in Minnesota Statutes, section 340A.413, subdivision 4.

(c) Except as modified by this section, the district has the powers conferred by chapter 340A on a statutory city of the third class having a population of 10,000.

(d) The district may regulate bottle clubs as defined in chapter 340A in the same manner and subject to the same conditions as is provided for cities in chapter 340A.

(e) The district may not establish, own, or operate a municipal liquor store, either on-sale or off-sale.

Subd. 4. [JURISDICTION.] The district has jurisdiction over the sale and possession of any nonintoxicating malt liquor

or intoxicating liquor as defined in chapter 340A on or over the waters of the lake. Licenses granted by the district must authorize the on-sale of intoxicating liquor, nonintoxicating liquor or wine, or the approval of bottle club licenses issued by the commissioner of public safety only on boats or watercraft which are underway or moored or anchored offshore and may not authorize the on-sale of intoxicating liquor, nonintoxicating malt liquor or wine, or the operation of a bottle club on boats or watercraft while attached to land or to docks, which on-sale or operation of bottle clubs may be authorized only by license granted by the municipality having jurisdiction over the land to which the boat or dock is attached. The district may, however, impose further regulations or restrictions on any sale or possession of intoxicating liquor, nonintoxicating malt liquor or wine, or the operation of a bottle club on or over the waters of the lake.

Sec. 7. [VADNAIS HEIGHTS ON-SALE LICENSES.]

Notwithstanding Minnesota Statutes, section 340A.413, subdivision 1 or 3, or any other law, the city of Vadnais Heights may issue not more than five on-sale intoxicating liquor licenses in addition to the number now permitted by law.

Sec. 8. [EFFECTIVE DATES.]

Sections 1 to 3 are effective the day following final enactment.

Section 4 is effective upon approval by the county board of St. Louis county and upon compliance with Minnesota Statutes, section 645.021.

Section 5 is effective upon approval by the Pope county board and compliance with Minnesota Statutes, section 645.021.

Section 6 is effective upon approval by the Lake Minnetonka conservation district and compliance with Minnesota Statutes, section 645.021.

Section 7 is effective on approval by the Vadnais Heights city council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to intoxicating liquor; removing the limit on the number of seasonal on-sale licenses which may be issued by St. Louis county; allowing municipalities to issue wine licenses to clubs and catering services; authorizing Pope county to issue one seasonal on-sale license; providing for regulatory authority by the Lake Minnetonka Conservation District over sale of intoxicating liquor and nonintoxicating malt liquor

on Lake Minnetonka, Hennepin and Carver counties, Minnesota; authorizing the city of Vadnais Heights to issue up to five additional on-sale licenses; amending Minnesota Statutes 1984, section 383C.293; and Minnesota Statutes 1985 Supplement, sections 340A.404, subdivision 5, and by adding a subdivision; and 340A.413, subdivision 4.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2233, A bill for an act relating to commerce; regulating electricians; amending Minnesota Statutes 1984, sections 326.01, by adding a subdivision; 326.245; 326.248; Minnesota Statutes 1985 Supplement, sections 326.01, subdivision 5; 326.242, subdivisions 1, 2, 6, and 12; 326.244, subdivisions 2 and 5; and 326.246.

Reported the same back with the following amendments:

Page 6, after line 12, insert:

“Sec. 7. Minnesota Statutes 1985 Supplement, section 326.2421, subdivision 3, is amended to read:

Subd. 3. [ALARM AND COMMUNICATION CONTRACTOR'S LICENSES.] No person may lay out, install, maintain, or repair alarm and communication systems, unless the person is licensed as an alarm and communication contractor under this subdivision, *or is a licensed electrical contractor under section 326.242, subdivision 6*, or is an employee of the contractor. The board of electricity shall issue an alarm and communication contractor's license to any individual, corporation, partnership, sole proprietorship, or other business entity that provides adequate proof that a bond and insurance in the amounts required by section 326.242, subdivision 6, have been obtained by the applicant. The board may initially set license fees without rule-making, pursuant to section 16A.128. Installation of alarm and communication systems are subject to inspection and inspection fees as provided in section 326.244, subdivision 1a.”

Renumber the remaining sections

Page 10, line 1, delete “11” and insert “12”

Amend the title as follows:

Page 1, line 6, after “12;” insert “326.2421, subdivision 3;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2240, A bill for an act relating to unemployment compensation; requiring employees to notify an employer of change of address; regulating right to benefits; amending Minnesota Statutes 1984, section 268.09, subdivision 1; Minnesota Statutes 1985 Supplement, section 268.08, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 17, delete "*former employer*" and insert "*department of jobs and training*"

Page 2, line 19, after "*writing*" insert "*or verbally*"

Page 2, line 19, delete "*former employer*" and insert "*department of jobs and training*"

Page 2, line 19, after the period insert "*The department of jobs and training will be responsible for recording the change of address and notifying the former employer of the change of address, upon request.*"

Page 6, line 11, after "*writing*" insert "*or verbally*"

Page 6, line 11, delete "*employer*" and insert "*department of jobs and training*"

Amend the title as follows:

Page 1, line 3, delete "employees to notify an employer" and insert "employee notification"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 2250, A bill for an act relating to crimes; providing that violations involving theft of services may be aggregated for purposes of criminal prosecution; amending Minnesota Statutes 1984, section 609.52, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2351, A bill for an act relating to state real estate; permitting the sale of the old Shakopee correctional facility to the local government units.

Reported the same back with the following amendments:

Page 1, line 10, before "for" insert a comma and delete "\$" and insert "*the highest price offered over a minimum price of \$145,000,*"

Page 1, line 11, after the first "the" insert "*current*"

Page 1, line 11, after the second "the" insert "*approximate 10.9 acre*"

Page 1, line 12, delete "*where the facility is located*" and insert "*which is located north of Sixth Avenue between Webster and Adams Streets in Shakopee*"

Page 1, line 13, delete "a" and insert "the" and delete "*or agency*" and insert "*of corrections after the new correctional facility becomes operational*"

Page 1, line 14, after the period insert "*Proceeds from the sale must be deposited in the general fund.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 2397, A bill for an act relating to alcoholic beverages; authorizing cities to issue temporary off-sale licenses for the sale of rare wine at auctions; amending Minnesota Statutes 1985 Supplement, section 340A.404, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 340A.405, is amended by adding a subdivision to read:

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

(b) As used in the subdivision, "vintage wine" means bottled white, rose, or sparkling wine which is not less than five years old or bottled red wine which is not less than eight years old.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; authorizing cities to issue temporary off-sale licenses for the sale of vintage wine at auctions; amending Minnesota Statutes 1985 Supplement, section 340A.405, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 2427, A bill for an act relating to state lands; authorizing exchange of state property with Minnesota transportation museum property.

Reported the same back with the following amendments:

Page 1, line 16, delete everything after the period

Page 1, line 17, delete "board." and insert "The commissioner may exchange the property if the exchange is approved by the land exchange board."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2471, 2472, 2501, 720, 1459, 1793, 2000, 2166, 2190, 2229, 2233, 2240, 2250, 2351, 2397 and 2427 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dyke introduced:

H. F. No. 2502, A bill for an act relating to homesteads; increasing rural homestead exemption to 160 acres; amending Minnesota Statutes 1984, section 510.02.

The bill was read for the first time and referred to the Committee on Taxes.

Boo introduced:

H. F. No. 2503, A bill for an act relating to insurance; joint self-insurance employee health plans; providing an exemption from regulation; amending Minnesota Statutes 1984, section 62H.08.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Gutknecht and Tjornhom introduced:

H. F. No. 2504, A bill for an act relating to taxation; exempting from taxation the gasoline purchased by certain transit systems; amending Minnesota Statutes 1985 Supplement, sections 296.02, subdivision 1a; and 296.025, subdivision 1a.

The bill was read for the first time and referred to the Committee on Taxes.

Ogren introduced:

H. F. No. 2505, A bill for an act relating to human services; requiring federal mental health block grants to be used for qualified community mental health centers; amending Minnesota Statutes 1984, section 245.712, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Pappas, Knuth, Osthoff and Quinn introduced:

H. F. No. 2506, A bill for an act relating to taxation; delaying the effective date of the repeal of the residential energy credit; amending Laws 1985, First Special Session chapter 14, article 1, section 61.

The bill was read for the first time and referred to the Committee on Taxes.

Krueger, Brown, Knuth and Scheid introduced:

H. F. No. 2507, A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Stanius introduced:

H. F. No. 2508, A bill for an act relating to human services; affecting eligibility for medical assistance and general medical assistance care; augmenting the state's power to recover payments from third parties; abolishing the requirement of a separate application for general assistance medical care; amending Minnesota Statutes 1984, sections 256B.042, subdivision 2; 256B.15; 256B.37; and 256D.03, subdivision 3; and Minnesota Statutes 1985 Supplement, section 256B.06, subdivision 1; repealing Minnesota Statutes 1985 Supplement, section 256D.051, subdivision 12.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Dimler introduced:

H. F. No. 2509, A bill for an act relating to taxes; exempting from gasoline excise tax propane fuel for vehicles operating under permit; amending Minnesota Statutes 1985 Supplement, sections 296.01, subdivision 25; 296.02, subdivision 1a; 296.025, subdivision 1a; 296.026; and 296.028.

The bill was read for the first time and referred to the Committee on Taxes.

Sparby, McDonald, Uphus, Valan and Tunheim introduced:

H. F. No. 2510, A resolution memorializing the President and Congress of the United States to investigate and take action to effect changes in the wheat grading and marketing process.

The bill was read for the first time and referred to the Committee on Agriculture.

Shaver introduced:

H. F. No. 2511, A bill for an act relating to commerce; prohibiting the use of electronically prerecorded messages in telephone solicitations; proposing coding for new law in Minnesota Statutes, chapter 325G.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Simoneau introduced:

H. F. No. 2512, A bill for an act relating to unemployment compensation; regulating benefits and contribution rates; appropriating money; amending Minnesota Statutes 1984, sections 268.04, subdivisions 2, 4, 24, 25, and by adding subdivisions; 268.06, subdivisions 2, 3a, 8, and by adding a subdivision; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.09, subdivisions 1 and 2; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121; 268.16, subdivision 2, and by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 268.0111, by adding a subdivision; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivisions 8, 29, and 30.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Bennett, Halberg, Brinkman, Johnson and Anderson, G., introduced:

H. F. No. 2513, A bill for an act relating to state government; prohibiting public entities from engaging in businesses in competition with the private sector; establishing a private enterprise review commission; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 16D.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

McEachern, Quinn and Nelson, K., introduced:

H. F. No. 2514, A bill for an act relating to education; establishing exemplary centers for learning opportunities; requiring the state board of education to select exemplary programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 125.

The bill was read for the first time and referred to the Committee on Education.

Nelson, K., introduced:

H. F. No. 2515, A bill for an act relating to education; requiring the state board of education to study its school desegregation rules and recommend changes.

The bill was read for the first time and referred to the Committee on Education.

Gruenes, Uphus, Haukoos, Pappas and Piper introduced:

H. F. No. 2516, A bill for an act relating to state departments and agencies; creating a commission for the quincentennial of the Hispanic presence in the western hemisphere.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Segal, Krueger and Vellenga introduced:

H. F. No. 2517, A bill for an act relating to adoption; requiring counseling prior to the adoption of foreign born children; making foreign born children eligible for subsidized adoption payments; amending Minnesota Statutes 1984, section 259.40, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 259.

The bill was read for the first time and referred to the Committee on Health and Human Services.

HOUSE ADVISORIES

The following House Advisories were introduced:

Forsythe and Blatz introduced:

H. A. No. 74, A proposal to study presentence investigation reports.

The advisory was referred to the Committee on Crime and Family Law.

Hartle, Schafer, Otis and Kiffmeyer introduced:

H. A. No. 75, A proposal to study programs on family life education in the schools.

The advisory was referred to the Committee on Education.

Osthoff and Scheid introduced:

H. A. No. 76, A proposal to appoint a special committee to investigate actions of Ethical Practices Board.

The advisory was referred to the Committee on Rules and Legislative Administration.

Boo introduced:

H. A. No. 77, A proposal to study the issue of adult literacy in Minnesota.

The advisory was referred to the Committee on Education.

Johnson; Carlson, D., and Valan introduced:

H. A. No. 78, A proposal to study asphalt cement pricing.

The advisory was referred to the Committee on Appropriations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1727, A bill for an act relating to agriculture; moving Wadena county from area one to area four for purposes of potato industry promotion; amending Minnesota Statutes 1984, section 17.54, subdivision 9.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 19, A senate concurrent resolution designating the "Red Ribbon" to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

PATRICK E. FLAHAVEN, Secretary of the Senate

The resolution was referred to the Committee on General Legislation and Veterans Affairs.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 810, A bill for an act relating to health; requiring the commissioner of health to develop programs for the promotion of nonsmoking; providing for tax increase on cigarettes;

raising the cigarette tax; appropriating money; imposing penalties; prohibiting the use of tobacco products on school premises by minors; amending Minnesota Statutes 1984, sections 297.02, by adding a subdivision; 297.03, subdivisions 6 and 10; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1, 2, and by adding subdivisions; 297.35, subdivision 1; and 325D.41; proposing coding for new law in Minnesota Statutes, chapters 124, 127, 144, and 145.

PATRICK E. FLAHAVEN, Secretary of the Senate

Quist moved that the House refuse to concur in the Senate amendments to H. F. No. 810, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses.

Levi moved to lay H. F. No. 810 and the message from the Senate relating to H. F. No. 810 on the table.

A roll call was requested and properly seconded.

The question was taken on the Levi motion and the roll was called. There were 66 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Backlund	Dyke	Jacobs	Ozment	Sviggum
Becklin	Erickson	Johnson	Pauly	Thiede
Bennett	Fjoslien	Kiffmeyer	Piepho	Thorson
Bishop	Forsythe	Knickerbocker	Popenhagen	Tjornhom
Blatz	Frederick	Kvam	Quist	Tompkins
Boerboom	Frederickson	Levi	Redalen	Uphus
Boo	Frerichs	Marsh	Rees	Valento
Burger	Gruenes	McDonald	Richter	Waltman
Carlson, D.	Gutknecht	McKasy	Rose	Zaffke
Carlson, J.	Hartinger	McPherson	Schafer	Spk. Jennings, D.
Clausnitzer	Hartle	Miller	Seaberg	
Cohen	Haukoos	Olsen, S.	Shaver	
Dempsey	Heap	Omann	Sherman	
Dimler	Himle	Onnen	Stanius	

Those who voted in the negative were:

Anderson, G.	Kalis	Nelson, D.	Quinn	Skoglund
Battaglia	Knuth	Nelson, K.	Rest	Solberg
Beard	Kostohryz	O'Connor	Rice	Sparby
Begich	Krueger	Ogren	Riveness	Tunheim
Brinkman	Lieder	Olson, E.	Rodosovich	Voss
Brown	Long	Osthoff	Sarna	Welle
Carlson, L.	McEachern	Otis	Scheid	Wenzel
Clark	Metzen	Peterson	Schoenfeld	Wynia
Elioff	Minne	Piper	Segal	
Kahn	Murphy	Price	Simoneau	

The motion prevailed and H. F. No. 810 and the message from the Senate relating to H. F. No. 810 were laid on the table.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1914 and 2062.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1851.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1680 and 1790.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1880, 1950 and 1965.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1641, 1823 and 2018.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 51.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1613, 1733, 1797 and 1850.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 421, 1441, 1919 and 1949.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 496, 1794 and 1910.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1643, 1742 and 1793.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted :

S. F. Nos. 1642, 1810 and 2039.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1914, A bill for an act relating to crimes; providing that violations involving theft of services may be aggregated for purposes of criminal prosecution; amending Minnesota Statutes 1984, section 609.52, subdivision 3.

The bill was read for the first time.

Hartinger moved that S. F. No. 1914 and H. F. No. 2250, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2062, A bill for an act relating to occupations and professions; modifying the membership of the board of architecture, engineering, land surveying, and landscape architecture; amending Minnesota Statutes 1984, section 326.04.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

S. F. No. 1851, A bill for an act relating to state government; changing certain procedures related to the state archaeologist and archaeological sites; amending Minnesota Statutes 1984, sections 138.35, subdivision 1; and 138.40, subdivision 3.

The bill was read for the first time.

Miller moved that S. F. No. 1851 and H. F. No. 2168, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1680, A bill for an act relating to Anoka county; providing that Anoka county park ordinances supersede local ordinances.

The bill was read for the first time.

Backlund moved that S. F. No. 1680 and H. F. No. 1785, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1790, A bill for an act relating to economic development; rural development; providing for time of lease payments for lease of department of natural resources lands; establishing a mineral resources program; establishing a community development division in the department of energy and economic development; establishing the greater Minnesota corporation; establishing the rural development revolving fund program; establishing the state supplemental education grant program; adding criteria for allocation of private activity bonds and available issuance authority; appropriating money; amending Minnesota Statutes 1984, sections 89.17; 116J.61; 116J.873, subdivision 1; 462.384, subdivision 7; and 474.19, subdivision 4; Minnesota Statutes 1985 Supplement, sections 92.50; 116M.06, subdivision 3; and 474.19, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 84, 116J, 116L, and 136A; proposing coding for new law as Minnesota Statutes, chapter 116N; repealing Minnesota Statutes 1985 Supplement, sections 116.18, subdivision 3a; 116J.951; 116J.955; and 116J.961, subdivisions 7, 8, 9, and 10.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 1880, A bill for an act relating to veterans; establishing a veterans' cemetery; proposing coding for new law in Minnesota Statutes, chapter 197.

The bill was read for the first time.

Fjoslien moved that S. F. No. 1880 and H. F. No. 2030, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1950, A bill for an act relating to taxation; limiting application of the open space property tax law to facilities that do not discriminate on the basis of sex; amending Minnesota Statutes 1984, section 273.112, subdivisions 3 and 4, and by adding a subdivision.

The bill was read for the first time.

Bishop moved that S. F. No. 1950 and H. F. No. 2077, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1965, A bill for an act relating to human services; revising the community social services act; clarifying allocation of funds; expanding responsibilities of county boards; requiring the county boards to publish biennial plans relating to community social services; amending Minnesota Statutes 1984, sections 256E.05, subdivision 3; 256E.06, subdivision 2; 256E.09, subdivision 1; and Minnesota Statutes 1985 Supplement, section 256E.08, subdivision 1.

The bill was read for the first time.

Swiggum moved that S. F. No. 1965 and H. F. No. 1951, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1641, A bill for an act relating to motor vehicles; establishing a system of registration of fleet vehicles; amending Minnesota Statutes 1984, section 168.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 168.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1823, A bill for an act relating to financial institutions; providing for open end loan account arrangements; modifying permissible finance charges and annual charges; eliminating alternative credit card plan requirements; amending Minnesota Statutes 1984, section 48.185, subdivisions 1, 3, and 4; repealing Minnesota Statutes 1984, section 48.185, subdivision 4a.

The bill was read for the first time.

Boo moved that S. F. No. 1823 and H. F. No. 1956, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2018, A bill for an act relating to historical sites; renaming a state historic site and establishing new boundaries; amending Minnesota Statutes 1984, section 138.58, subdivision 34.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 51, A bill for an act relating to health; requiring licensure of home care agencies; providing a home care bill of rights; providing a complaint procedure for home care clients; appropriating money; amending Minnesota Statutes 1984, sections 144.335, subdivision 1; 144.699, subdivision 2; 144A.51, subdivision 6, and by adding a subdivision; 144A.52, subdivision 3; 144A.53, subdivisions 1, 2, 3, and 4; 144A.54, subdivision 1; 256B.04, by adding a subdivision; and 364.09; Minnesota Statutes 1985 Supplement, section 626.557, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144A.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1613, A bill for an act relating to agriculture; establishing filing requirements, enforcement, and priority of veterinarian's lien; amending Minnesota Statutes 1984, section 514.92.

The bill was read for the first time.

Redalen moved that S. F. No. 1613 and H. F. No. 1846, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1733, A bill for an act relating to agriculture; clarifying the exceptions to prohibition against manufacture of food from adulterated milk or cream; amending Minnesota Statutes 1985 Supplement, section 32.21, subdivision 2.

The bill was read for the first time.

Uphus moved that S. F. No. 1733 and H. F. No. 1883, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1797, A bill for an act relating to public administration; providing for various town powers; permitting certain sales of public property; providing conditions for contractor's bonds; amending Minnesota Statutes 1984, sections 366.01, subdivision 1; 367.31, subdivision 4; and 471.64, subdivision 1; and Minnesota Statutes 1985 Supplement, sections 365.10; and 574.26.

The bill was read for the first time.

Frederickson moved that S. F. No. 1797 and H. F. No. 1912, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1850, A bill for an act relating to state government; regulating fees for state agency services; amending Minnesota Statutes 1985 Supplement, sections 16A.128 and 16A.1281.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 421, A bill for an act relating to transportation; railroads; requiring occupied caboose car on certain trains; requiring caboose car to be equipped with shortwave radio; imposing a penalty; amending Minnesota Statutes 1984, section 219.56; proposing coding for new law in Minnesota Statutes, chapter 219.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

S. F. No. 1441, A bill for an act relating to human services; providing for computer services to comply with long-term sheltered employment program evaluation criteria and for training and employment of persons with disabilities; amending Minnesota Statutes 1984, section 129A.08, by adding a subdivision.

The bill was read for the first time.

Gruenes moved that S. F. No. 1441 and H. F. No. 2072, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1919, A bill for an act relating to mental health; extending the patients' bill of rights to cover people receiving outpatient mental health treatment; defining a minimum grievance procedure for health care facilities; including in the patients' bill of rights the right of access to protection and advocacy services; amending Minnesota Statutes 1984, section 144.651, subdivisions 2, 4, 20, and by adding a subdivision.

The bill was read for the first time.

Sviggum moved that S. F. No. 1919 and H. F. No. 2082, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1949, A bill for an act relating to natural resources; requiring public access restrictions to be the same as lake use restrictions; amending Minnesota Statutes 1984, sections 378.32,

subdivisions 2, 6, and 7; and 459.20; proposing coding for new law in Minnesota Statutes, chapter 378.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 496, A bill for an act relating to state departments and agencies; requiring the commissioner of administration to make surplus documents available to libraries; proposing coding for new law in Minnesota Statutes, chapter 16B.

The bill was read for the first time.

Quist moved that S. F. No. 496 and H. F. No. 720, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1794, A bill for an act relating to Washington county; permitting the negotiated sale of certain property; repealing a provision relating to county interests in certain hospital property; repealing Laws 1959, chapter 14, section 1, subdivision 5.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1910, A bill for an act relating to transportation; adding new route to trunk highway system in substitution of existing route; allowing old highway to be turned back to city of Willmar; directing revisor of statutes to make route substitution; amending Laws 1974, chapter 151, section 3.

The bill was read for the first time and referred to the Committee on Transportation.

S. F. No. 1643, A bill for an act relating to property taxes; permitting Aitkin county to levy a tax for development purposes; permitting the city of Breezy Point to increase its levy; providing for reverse referendum; amending Laws 1984, chapter 502, article 13, section 10, subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1742, A bill for an act relating to military affairs; authorizing the department of military affairs to purchase certain insurance; amending Minnesota Statutes 1984, section 15.38, by adding a subdivision.

The bill was read for the first time.

Heap moved that S. F. No. 1742 and H. F. No. 1945, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1793, A bill for an act relating to local government; permitting an agreement to finance library construction in McGregor.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1642, A bill for an act relating to commerce; regulating electricians; amending Minnesota Statutes 1984, sections 326.01, by adding a subdivision; 326.245; 326.248; Minnesota Statutes 1985 Supplement, sections 326.01, subdivision 5; 326.242, subdivisions 1, 2, 6, and 12; 326.2421, subdivision 3; 326.244, subdivisions 2 and 5; and 326.246.

The bill was read for the first time.

Dyke moved that S. F. No. 1642 and H. F. No. 2233, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1810, A bill for an act relating to human services; providing for conditions requiring monthly reporting by recipients of aid to families with dependent children; amending Minnesota Statutes 1985 Supplement, section 256.73, subdivision 6.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 2039, A bill for an act relating to the attorney general; expanding the powers of the attorney general to obtain certain information and to investigate and prosecute for fraud of the medical assistance program; amending Minnesota Statutes 1984, sections 8.31, subdivision 1; 256B.064, subdivision 1a; 256B.12; 256B.27, subdivisions 3, 4, and 5; and 256B.30; Minnesota Statutes 1985 Supplement, section 214.10, subdivision 8.

The bill was read for the first time and referred to the Committee on Governmental Operations.

CONSENT CALENDAR

H. F. No. 2265 was reported to the House.

Levi moved to amend H. F. No. 2265, as follows:

Page 1, line 23, after "terms," insert "compensation,"

Page 1, line 24, after "section" delete "15.059" and insert "15.-0575, except that the appointments are not subject to the advice and consent of the Senate"

The motion prevailed and the amendment was adopted.

H. F. No. 2265, A bill for an act relating to juvenile justice; providing for membership terms, removal, and filling of vacancies on the juvenile justice advisory committee; amending Minnesota Statutes 1984, section 116J.404.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Levi	Pappas	Sherman
Backlund	Forsythe	Lieder	Pauly	Simoneau
Battaglia	Frederick	Long	Peterson	Skoglund
Beard	Frederickson	Marsh	Piepho	Solberg
Becklin	Frerichs	McDonald	Piper	Sparby
Begich	Greenfield	McEachern	Poppenhagen	Stanius
Bennett	Gruenes	McPherson	Price	Staten
Bishop	Gutknecht	Metzen	Quinn	Sviggum
Blatz	Hartinger	Miller	Redalen	Thiede
Boerboom	Hartle	Minne	Rees	Thorson
Boo	Heap	Munger	Rest	Tjornhom
Brandl	Himle	Murphy	Rice	Tomlinson
Brinkman	Jacobs	Nelson, D.	Richter	Tompkins
Brown	Jaros	Nelson, K.	Riveness	Tunheim
Burger	Johnson	Neuenschwander	Rodosovich	Uphus
Carlson, L.	Kahn	O'Connor	Rose	Valento
Clark	Kalis	Ogren	Sarna	Vellenga
Clausnitzer	Kelly	Olsen, S.	Schafer	Voss
Cohen	Kiffmeyer	Olson, E.	Scheid	Waltman
Dempsey	Knickerbocker	Omann	Schoenfeld	Welle
Dimler	Knuth	Onnen	Schreiber	Wenzel
Elioff	Kostohryz	Osthoff	Scaberg	Wynia
Ellingson	Krueger	Otis	Segal	Spk. Jennings, D.
Erickson	Kvam	Ozment	Shaver	

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

H. F. No. 1599, A bill for an act relating to state monuments; authorizing development of a plan for a memorial to Native Americans; amending Minnesota Statutes 1984, section 138.585, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Levi	Pappas	Simoneau
Backlund	Forsythe	Lieder	Pauly	Skoglund
Battaglia	Frederick	Long	Peterson	Solberg
Beard	Frederickson	Marsh	Piepho	Sparby
Becklin	Frerichs	McDonald	Piper	Stanius
Begich	Greenfield	McEachern	Poppenhagen	Staten
Bennett	Gruenes	McKasy	Price	Sviggum
Bishop	Gutknecht	McPherson	Quinn	Thiede
Blatz	Hartinger	Metzen	Quist	Thorson
Boerboom	Hartle	Miller	Redalen	Tjornhom
Boo	Haukoos	Minne	Rees	Tomlinson
Brandl	Heap	Munger	Rest	Tompkins
Brinkman	Himle	Murphy	Rice	Tunheim
Brown	Jaros	Nelson, D.	Richter	Uphus
Burger	Jacobs	Nelson, K.	Riveness	Valan
Carlson, L.	Johnson	Neuenschwander	Rodosovich	Valento
Clark	Kahn	O'Connor	Rose	Vellenga
Clausnitzer	Kalis	Ogren	Sarna	Voss
Cohen	Kelly	Olsen, S.	Schafer	Waltman
Dempsey	Kiffmeyer	Olson, E.	Scheid	Welle
Dimler	Knickerbocker	Omann	Schoenfeld	Wenzel
Dyke	Knuth	Onnen	Seaberg	Wynia
Elioff	Kostohryz	Osthoff	Segal	Zaffke
Ellingson	Krueger	Otis	Shaver	Spk. Jennings, D.
Erickson	Kvam	Ozment	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1821, A bill for an act relating to real property; requiring condominium plats after July 31, 1986; requiring certification by a registered land surveyor only, that condominium plat accurately depicts certain required information in 515A.2-110; amending Minnesota Statutes 1984, sections 515A.1-102; 515A.1-103; 515A.2-105; 515A.2-110; 515A.2-114; 515A.2-115; 515A.2-116; 515A.4-102; 515A.4-107; 515A.4-116; and 515A.4-117; and Minnesota Statutes 1985 Supplement, sections 389.09; 508.82; and 508A.82.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Krueger	Pappas	Sherman
Anderson, R.	Fjoslien	Kvam	Pauly	Simoneau
Backlund	Forsythe	Levi	Peterson	Skoglund
Battaglia	Frederick	Lieder	Piepho	Solberg
Beard	Frederickson	Long	Piper	Sparby
Becklin	Frerichs	Marsh	Poppenhagen	Stanius
Begich	Greenfield	McDonald	Price	Staten
Bennett	Gruenes	McLaughlin	Quinn	Sviggum
Bishop	Gutknecht	McPherson	Quist	Thiede
Blatz	Hartinger	Metzen	Redalen	Thorson
Boerboom	Hartle	Miller	Rees	Tjornhom
Boo	Haukoos	Minne	Rest	Tomlinson
Brandl	Heap	Munger	Rice	Tompkins
Brinkman	Himle	Murphy	Richter	Tunheim
Brown	Jacobs	Nelson, K.	Riveness	Uphus
Carlson, D.	Jaros	Neuenschwander	Rodosovich	Valan
Carlson, L.	Jennings, L.	O'Connor	Rose	Valento
Clark	Johnson	Ogren	Sarna	Vellenga
Cohen	Kahn	Olsen, S.	Schafer	Voss
Dempsey	Kalis	Olson, E.	Scheid	Waltman
DenOuden	Kelly	Omann	Schoenfeld	Welle
Dimler	Kiffmeyer	Onnen	Schreiber	Wenzel
Dyke	Knickerbocker	Osthoff	Seaberg	Wynia
Elioff	Knuth	Otis	Segal	Spk. Jennings, D.
Ellingson	Kostohryz	Ozment	Shaver	

The bill was passed and its title agreed to.

H. F. No. 1966, A bill for an act relating to the attorney general; authorizing an increase in the number of assistant attorneys general; amending Minnesota Statutes 1984, section 8.02.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Clausnitzer	Heap	McKasy	Pappas
Anderson, R.	Cohen	Himle	McLaughlin	Pauly
Backlund	Dempsey	Jacobs	McPherson	Peterson
Battaglia	DenOuden	Jaros	Metzen	Piepho
Beard	Dimler	Jennings, L.	Miller	Piper
Becklin	Dyke	Johnson	Minne	Poppenhagen
Begich	Elioff	Kahn	Munger	Price
Bennett	Ellingson	Kalis	Murphy	Quinn
Bishop	Erickson	Kelly	Nelson, D.	Quist
Blatz	Fjoslien	Kiffmeyer	Neison, K.	Redalen
Boerboom	Forsythe	Knickerbocker	Neuenschwander	Rees
Boo	Frederick	Knuth	O'Connor	Rest
Brandl	Frederickson	Kostohryz	Ogren	Rice
Brinkman	Frerichs	Krueger	Olsen, S.	Richter
Brown	Greenfield	Kvam	Olson, E.	Riveness
Burger	Gruenes	Levi	Omann	Rodosovich
Carlson, D.	Gutknecht	Lieder	Onnen	Rose
Carlson, J.	Hartinger	Long	Osthoff	Sarna
Carlson, L.	Hartle	Marsh	Otis	Schafer
Clark	Haukoos	McDonald	Ozment	Scheid

Schoenfeld	Simoneau	Swiggum	Tunheim	Voss
Schreiber	Skoglund	Thorson	Uphus	Waltman
Seaberg	Solberg	Tjornhom	Valan	Welle
Segal	Sparby	Tomlinson	Valento	Wenzel
Shaver	Stanius	Tompkins	Vellenga	Wynia
Sherman	Staten			

Those who voted in the negative were:

Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 2001, A bill for an act relating to occupations and professions; architects, engineers, land surveyors, and landscape architects; making certain technical changes related to certain licensing exceptions; amending Minnesota Statutes 1984, sections 326.03, subdivision 2; and 326.06.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Kostohryz	Osthoff	Sherman
Anderson, R.	Ellingson	Krueger	Otis	Simoneau
Backlund	Erickson	Kvam	Ozment	Skoglund
Battaglia	Fjoslien	Levi	Pappas	Solberg
Beard	Forsythe	Lieder	Pauly	Stanius
Becklin	Frederick	Long	Peterson	Staten
Begich	Frederickson	Marsh	Piepho	Swiggum
Bennett	Frerichs	McDonald	Piper	Thiede
Bishop	Greenfield	McEachern	Poppenhagen	Thorson
Blatz	Gruenes	McLaughlin	Price	Tjornhom
Boerboom	Gutknecht	McPherson	Quinn	Tomlinson
Boo	Hartinger	Metzen	Quist	Tompkins
Brandl	Hartle	Miller	Redalen	Tunheim
Brinkman	Haukoos	Minne	Rees	Uphus
Brown	Heap	Munger	Rest	Valan
Burger	Himle	Murphy	Richter	Valento
Carlson, D.	Jacobs	Nelson, D.	Riveness	Vellenga
Carlson, J.	Jaros	Nelson, K.	Rodosovich	Voss
Carlson, L.	Jennings, L.	Neuenschwander	Rose	Waltman
Clark	Johnson	Norton	Sarna	Welle
Clausnitzer	Kahn	O'Connor	Schafer	Wenzel
Cohen	Kalis	Ogren	Scheid	Wynia
Dempsey	Kelly	Olsen, S.	Schoenfeld	Spk. Jennings, D.
DenOuden	Kiffmeyer	Olson, E.	Schreiber	
Dimler	Knickerbocker	Omnn	Segal	
Dyke	Knuth	Onnen	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2139, A bill for an act relating to natural resources; extending provisions relating to loggers permits; amending

Laws 1985, First Special Session chapter 13, section 219, subdivisions 2 and 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kvam	Ozment	Skoglund
Anderson, R.	Fjoslien	Levi	Pappas	Solberg
Backlund	Forsythe	Lieder	Pauly	Sparby
Battaglia	Frederick	Long	Peterson	Stanius
Beard	Frederickson	Marsh	Piepho	Staten
Becklin	Frerichs	McDonald	Piper	Sviggum
Begich	Greenfield	McEachern	Poppenhagen	Thiede
Bennett	Gruenes	McLaughlin	Price	Thorson
Bishop	Gutknecht	McPherson	Quinn	Tjornhom
Blatz	Hartinger	Metzen	Quist	Tomlinson
Boerboom	Hartle	Miller	Redalen	Tompkins
Boo	Haukoos	Minne	Rees	Tunheim
Brandl	Heap	Munger	Rest	Uphus
Brinkman	Himle	Murphy	Richter	Valan
Brown	Jacobs	Neison, D.	Riveness	Valento
Carlson, J.	Jaros	Nelson, K.	Rodosovich	Vellenga
Carlson, L.	Jennings, L.	Neuenschwander	Rose	Voss
Clark	Johnson	Norton	Sarna	Waltman
Clausnitzer	Kahn	O'Connor	Schafer	Welle
Cohen	Kalis	Ogren	Scheid	Wenzel
Dempsey	Kelly	Olsen, S.	Schoenfeld	Wynia
DenOuden	Kiffmeyer	Olsen, E.	Schreiber	Spk. Jennings, D.
Dimler	Knickerbocker	Omann	Seaberg	
Dyke	Knuth	Onnen	Segal	
Elioff	Kostohryz	Osthoff	Shaver	
Ellingson	Krueger	Otis	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 2170, A bill for an act relating to wild animals; authorizing the captive propagation and sale of raptors; amending Minnesota Statutes 1984, section 99.27, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bishop	Carlson, D.	Dimler	Frederick
Backlund	Blatz	Carlson, L.	Dyke	Frederickson
Battaglia	Boerboom	Clark	Elioff	Frerichs
Beard	Boo	Clausnitzer	Ellingson	Greenfield
Becklin	Brandl	Cohen	Erickson	Gruenes
Begich	Brinkman	Dempsey	Fjoslien	Gutknecht
Bennett	Brown	DenOuden	Forsythe	Hartinger

Hartle	Lieder	Olson, E.	Rice	Staten
Haukoos	Long	Omamm	Richter	Sviggum
Heap	Marsh	Onnen	Rivencss	Thiede
Himle	McDonald	Osthoff	Rodosovich	Thorson
Jacobs	McLaughlin	Otis	Rose	Tjornhom
Jaros	McPherson	Ozment	Sarna	Tomlinson
Jennings, L.	Metzen	Pappas	Schafer	Tompkins
Johnson	Miller	Pauly	Scheid	Tunheim
Kahn	Minne	Peterson	Schoenfeld	Uphus
Kalis	Munger	Piepho	Schreiber	Valan
Kelly	Murphy	Piper	Seaberg	Valento
Kiffmeyer	Nelson, D.	Poppenhagen	Segal	Vellenga
Knickerbocker	Nelson, K.	Price	Shaver	Voss
Knuth	Neuenschwander	Quinn	Sherman	Waltman
Kostohryz	Norton	Quist	Skoglund	Welle
Krueger	O'Connor	Redalen	Solberg	Wenzel
Kvam	Ogren	Rees	Sparby	Wynia
Levi	Olsen, S.	Rest	Stanius	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 2218, A bill for an act relating to retirement; authorizing inclusion of certain state employees in the correctional officers plan and the purchase of prior service credit; amending Minnesota Statutes 1984, section 352.91, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Kostohryz	Osthoff	Segal
Anderson, R.	Erickson	Krueger	Otis	Shaver
Backlund	Fjoslien	Kvam	Ozment	Sherman
Battaglia	Forsythe	Levi	Pappas	Simoneau
Beard	Frederick	Lieder	Pauly	Skoglund
Becklin	Frederickson	Long	Peterson	Solberg
Begich	Frerichs	Marsh	Piepho	Sparby
Bennett	Greenfield	McDonald	Piper	Stanius
Bishop	Gruenes	McEachern	Poppenhagen	Staten
Blatz	Guiknecht	McLaughlin	Price	Sviggum
Boerboom	Hartinger	McPherson	Quinn	Thiede
Boo	Hartle	Metzen	Redalen	Thorson
Brandl	Haukoos	Miller	Rees	Tjornhom
Brinkman	Heap	Minne	Rest	Tomlinson
Brown	Himle	Munger	Rice	Tompkins
Carlson, D.	Jacobs	Murphy	Richter	Tunheim
Carlson, J.	Jaros	Nelson, D.	Rivencss	Uphus
Carlson, L.	Jennings, L.	Nelson, K.	Rodosovich	Valento
Clark	Johnson	Neuenschwander	Rose	Vellenga
Cohen	Kahn	Norton	Sarna	Voss
Dempsey	Kalis	O'Connor	Schafer	Waltman
DenOuden	Kelly	Ogren	Scheid	Welle
Dimler	Kiffmeyer	Olsen, S.	Schoenfeld	Wenzel
Dyke	Knickerbocker	Omamm	Schreiber	Wynia
Elioff	Knuth	Onnen	Seaberg	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 2348, A bill for an act relating to retirement; making public employees retirement association membership optional for employees of county historical societies; amending Minnesota Statutes 1984, section 353.01, subdivision 2b; Minnesota Statutes 1985 Supplement, section 353.01, subdivision 2a.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fjoslien	Levi	Pappas	Simoneau
Anderson, R.	Forsythe	Lieder	Pauly	Skoglund
Backlund	Frederick	Long	Peterson	Solberg
Battaglia	Frederickson	Marsh	Piepho	Sparby
Beard	Frerichs	McDonald	Piper	Stanius
Becklin	Greenfield	McEachern	Poppenhagen	Staten
Begich	Gruenes	McLaughlin	Price	Sviggum
Bennett	Gutknecht	McPherson	Quinn	Thiede
Bishop	Hartinger	Metzen	Quist	Thorson
Blatz	Hartle	Miller	Redalen	Tjornhorn
Boerboom	Haukoos	Minne	Rees	Tomlinson
Boo	Hcap	Munger	Rest	Tompkins
Brandl	Himle	Murphy	Rice	Tunheim
Brinkman	Jacobs	Nelson, D.	Richter	Uphus
Brown	Jaros	Nelson, K.	Riveness	Valan
Carlson, J.	Jennings, L.	Neuenschwander	Rodosovich	Valento
Carlson, L.	Johnson	Norton	Rose	Vellenga
Clark	Kahn	O'Connor	Sarna	Voss
Cohen	Kalis	Ogren	Schafer	Waltman
Dempsey	Kelly	Olsen, S.	Scheid	Welle
DenOuden	Kiffmeyer	Olson, E.	Schoenfeld	Wenzel
Dimler	Knickerbocker	Omann	Schreiber	Wynia
Dyke	Knuth	Onnen	Seaberg	Spk. Jennings, D.
Elioff	Kostohryz	Osthoff	Segal	
Ellingson	Krueger	Otis	Shaver	
Erickson	Kvam	Ozment	Sherman	

The bill was passed and its title agreed to.

H. F. No. 2407 was reported to the House.

Upon objection of ten members H. F. No. 2407 was stricken from the Consent Calendar and returned to General Orders.

H. F. No. 2453 was reported to the House.

Rodosovich moved to amend H. F. No. 2453, as follows:

Page 1, line 11, after "landowners" insert "who request such a release"

Page 1, line 13, delete "*The interest*" and insert "*Any easement interests so released*"

The motion prevailed and the amendment was adopted.

H. F. No. 2453, A bill for an act relating to state lands; authorizing conveyance of certain state easement.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kvam	Ozment	Sherman
Anderson, R.	Fjoslien	Levi	Pappas	Simoneau
Backlund	Forsythe	Lieder	Pauly	Skoglund
Battaglia	Frederick	Long	Peterson	Solberg
Beard	Frederickson	Marsh	Piepho	Sparby
Becklin	Frerichs	McDonald	Piper	Stanius
Begich	Greenfield	McEachern	Poppenhagen	Sviggum
Bennett	Gruenes	McLaughlin	Price	Thiede
Bishop	Gutknecht	McPherson	Quinn	Thorson
Blatz	Hartinger	Metzen	Quist	Tjornhom
Boo	Hartle	Miller	Redalen	Tomlinson
Brandl	Haukoos	Minne	Rees	Tompkins
Brinkman	Heap	Munger	Rest	Tunheim
Brown	Himle	Murphy	Rice	Uphus
Burger	Jacobs	Nelson, D.	Richter	Valan
Carlson, D.	Jaros	Nelson, K.	Riveness	Valento
Carlson, J.	Jennings, L.	Neuenschwander	Rodosovich	Vellenga
Carlson, L.	Johnson	Norton	Rose	Voss
Clark	Kahn	O'Connor	Sarna	Waltman
Cohen	Kalis	Ogren	Schafer	Welle
Dempsey	Kelly	Olsen, S.	Scheid	Wenzel
DenOuden	Kiffmeyer	Olson, E.	Schoenfeld	Wynia
Dimler	Knickerbocker	Omann	Schreiber	Spk. Jennings, D.
Dyke	Knuth	Onnen	Seaberg	
Elioff	Kostohryz	Osthoff	Segal	
Ellingson	Krueger	Otis	Shaver	

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

H. F. No. 2468 was reported to the House.

Carlson, J., moved that H. F. No. 2468 be continued on the Consent Calendar for one day. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Levi, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be acted upon immediately following Special Orders pending for Wednesday, March 5, 1986:

H. F. Nos. 1945, 2216, 2263, 2032, 2111, 2187, 2329, 1800, 2185, 1869, 2051, 2364, 2365, 2370, 1782, 2141, 1912, 2100 and 2017.

SPECIAL ORDERS

H. F. No. 1635 was reported to the House.

Olsen, S., moved to amend H. F. No. 1635, the first engrossment, as follows:

Page 1, line 11, delete "All" and insert "Except for any right to reenter or to repossess as provided in subdivision 3, all private"

Page 1, line 12, delete "created by any other"

Page 1, line 13, delete "means,"

Page 1, line 20, before "covenants" insert "easements,"

The motion prevailed and the amendment was adopted.

H. F. No. 1635, A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1984, section 500.20, by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 115 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dyke	Johnson	Munger	Piper
Backlund	Elioff	Kahn	Murphy	Poppenhagen
Battaglia	Ellingson	Kalis	Nelson, D.	Price
Beard	Erickson	Kelly	Nelson, K.	Quist
Becklin	Fjoslien	Kiffmeyer	Neuenschwander	Rees
Begich	Forsythe	Knickerbocker	Norton	Rest
Bennett	Frederick	Knuth	O'Connor	Rice
Bishop	Frederickson	Kostohryz	Ogren	Richter
Boo	Frerichs	Kvam	Olsen, S.	Riveness
Brinkman	Greenfield	Levi	Olson, E.	Rodosovich
Brown	Gruenes	Lieder	Omann	Rose
Burger	Cutknecht	Long	Onnen	Schafer
Carlson, J.	Hartinger	Marsh	Osthoff	Scheid
Carlson, L.	Hartle	McDonald	Otis	Schoenfeld
Clark	Haukoos	McKasy	Ozment	Seaberg
Clausnitzer	Heap	McPherson	Pappas	Segal
Cohen	Himle	Metzen	Pauly	Shaver
Dempsey	Jacobs	Miller	Peterson	Simoneau
Dimler	Jaros	Minne	Piepho	Skoglund

Sparby	Thiede	Tompkins	Valento	Wenzel
Stanius	Thorson	Tunheim	Voss	Wynia
Staten	Tjornhom	Uphus	Waltman	Zaffke
Sviggum	Tomlinson	Valan	Welle	Spk. Jennings, D.

Those who voted in the negative were:

DenOuden	McEachern	Sarna	Solberg	Vanasek
Krueger	Quinn			

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

H. F. No. 1940 was reported to the House.

Gruenes moved to amend H. F. No. 1940, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Notwithstanding Minnesota Statutes, section 144.214, subdivision 1, the county board of Stearns county may designate the county auditor as the local registrar in the county, with the approval of the court administrator."

Delete the title and insert:

"A bill for an act relating to Stearns county; authorizing the Stearns county board to designate the county auditor as the local registrar of the county."

The motion prevailed and the amendment was adopted.

H. F. No. 1940, A bill for an act relating to Stearns county; authorizing the Stearns county board to designate the county auditor as the local registrar of the county.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 109 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Backlund	Carlson, D.	Erickson	Hartle	Kiffmeyer
Battaglia	Carlson, L.	Fjoslien	Haukoos	Knickerbocker
Beard	Clark	Forsythe	Heap	Knuth
Becklin	Clausnitzer	Frederick	Himle	Kostohryz
Begich	Cohen	Frederickson	Jacobs	Krueger
Bennett	Dempsey	Frerichs	Jaros	Kvam
Bishop	Dimler	Greenfield	Johnson	Levi
Brandl	Dyke	Gruenes	Kahn	Long
Brinkman	Elioff	Gutknecht	Kalis	Marsh
Burger	Ellingson	Hartinger	Kely	McDonald

McEachern	Ogren	Poppenhagen	Schoenfeld	Tjornhom
McKasy	Olsen, S.	Quist	Seaberg	Tomlinson
McPherson	Omann	Redalen	Segal	Tompkins
Metzen	Onnen	Rees	Shaver	Upphus
Miller	Osthoff	Rest	Simoneau	Valan
Minne	Otis	Rice	Skoglund	Valento
Munger	Ozment	Richter	Solberg	Vellenga
Murphy	Pappas	Riveness	Stanius	Voss
Nelson, D.	Pauly	Rodosovich	Staten	Wenzel
Nelson, K.	Peterson	Sarna	Sviggum	Wynia
Neuenschwander	Piepho	Schafer	Thiede	Spk. Jennings, D.
O'Connor	Piper	Scheid	Thorson	

Those who voted in the negative were:

Anderson, G.	DenOuden	Norton	Quinn	Welle
Brown	Lieder	Olson, E.	Sparby	

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

The Speaker called Dempsey to the Chair.

H. F. No. 1978, A bill for an act relating to crimes; limiting when felony charges brought for depriving another of custodial or parental rights may be dismissed; amending Minnesota Statutes 1984, section 609.26, subdivision 5; and Minnesota Statutes 1985 Supplement, section 609.26, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DenOuden	Kahn	Nelson, D.	Rest
Anderson, R.	Dimler	Kalis	Nelson, K.	Rice
Backlund	Dyke	Kelly	Neuenschwander	Richter
Battaglia	Elioff	Kiffmeyer	Norton	Riveness
Beard	Ellingson	Knickerbocker	O'Connor	Rodosovich
Becklin	Erickson	Knuth	Ogren	Sarna
Begich	Fjoslien	Kostohryz	Olsen, S.	Schafer
Bennett	Forsythe	Krueger	Olson, E.	Scheid
Bishop	Frederick	Kvam	Omann	Schoenfeld
Blatz	Frederickson	Levi	Onnen	Schreiber
Boo	Frerichs	Lieder	Osthoff	Seaberg
Brandl	Greenfield	Long	Otis	Segal
Brinkman	Gruenes	Marsh	Ozment	Shaver
Brown	Gutknecht	McDonald	Pauly	Sherman
Burger	Hartinger	McEachern	Peterson	Simoneau
Carlson, D.	Hartle	McKasy	Piepho	Skoglund
Carlson, J.	Haukoos	McPherson	Piper	Solberg
Carlson, L.	Heap	Metzen	Poppenhagen	Sparby
Clark	Himle	Miller	Quinn	Stanius
Clausnitzer	Jacobs	Minne	Quist	Staten
Cohen	Jaros	Munger	Redalen	Sviggum
Dempsey	Johnson	Murphy	Rees	Thiede

Thorson
Tjornhom
Tomlinson

Tompkins
Valan
Valento

Vanasek
Vellenga

Voss
Welle

Wenzel
Wynia

The bill was passed and its title agreed to.

Waltman; Jennings, L., and Neuenschwander were excused while in conference.

H. F. No. 1984, A bill for an act relating to commerce; regulating securities; regulating the assignment of certain real property loans and the administration of certain escrow accounts; providing certain exemptions; regulating real estate brokers and salespersons; modifying re-examination requirements; providing trust account requirements for licensees acting as principals; granting certain enforcement powers to the commissioner; providing certain remedies; requiring storage of abstracts of title within Minnesota; amending Minnesota Statutes 1984, sections 47.20, subdivision 9; 80A.14, subdivision 18; 80A.15, subdivision 1; 82.17, subdivision 4; 82.22, subdivisions 3, 6, and 13; 82.24, subdivision 2; 82.26; 82.27, subdivision 1; 82.33, subdivision 2; 386.375; and Minnesota Statutes 1985 Supplement, section 80A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 47.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Levi	Ozment	Sherman
Backlund	Erickson	Lieder	Pappas	Simoneau
Battaglia	Fjoslien	Long	Pauly	Skoglund
Beard	Forsythe	Marsh	Peterson	Solberg
Becklin	Frederick	McDonald	Piepho	Sparby
Begich	Frederickson	McEachern	Piper	Stanius
Bennett	Frerichs	McKasy	Poppenhagen	Staten
Bishop	Gruenes	McPherson	Quinn	Sviggum
Blatz	Gutknecht	Metzen	Quist	Thiede
Boerboom	Hartinger	Miller	Redalen	Thorson
Boo	Haukoos	Minne	Rees	Tjornhom
Brandl	Heap	Munger	Rest	Tomlinson
Brinkman	Himle	Murphy	Rice	Tompkins
Brown	Jacobs	Nelson, D.	Richter	Uphus
Burger	Jaros	Nelson, K.	Riveness	Valan
Carlson, D.	Johnson	Norton	Rodosovich	Valento
Carlson, L.	Kahn	O'Connor	Sarna	Vanasek
Clark	Kalis	Ogren	Schafer	Vellenga
Cohen	Kelly	Olsen, S.	Scheid	Voss
Dempsey	Knickerbocker	Olson, E.	Schoenfeld	Waltman
DenOuden	Knuth	Omann	Schreiber	Welle
Dimler	Kostohryz	Onnen	Seaberg	Wenzel
Dyke	Krueger	Osthoff	Segal	Wynia
Elioff	Kvam	Otis	Shaver	Zaffke

The bill was passed and its title agreed to.

H. F. No. 2035 was reported to the House.

Gutknecht moved to amend H. F. No. 2035, the first engrossment, as follows:

Page 13, line 3, after "association" insert "*and each independent nonprofit firefighting corporation*"

Page 13, after line 29, insert:

"(c) The statement shall be countersigned by the municipal clerk or clerk-treasurer of the municipality, or, where applicable, by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation;"

Page 13, line 30, delete "(c)" and insert "(d)"

Page 13, line 30, delete "its" and insert "*the relief association*"

Page 13, line 33, delete "(d)" and insert "(e)"

The motion prevailed and the amendment was adopted.

Sherman moved to amend H. F. No. 2035, the first engrossment, as amended, as follows:

Page 30, after line 7, insert:

"Sec. 20. [CITY OBLIGATION TO RELIEF ASSOCIATION.]

Notwithstanding the provisions of section 69.77, in 1986 the city of Winona shall contribute to the Winona police relief association an amount equal to the amount the city contributed to the relief association in 1985.

Sec. 21. [STATE AUDITOR TO AUDIT RELIEF ASSOCIATION.]

The state auditor shall perform a comprehensive audit of the financial transactions and financial position of the Winona police relief association for the years 1984 and 1985.

The auditor shall determine the amount of assets held by the relief association, and shall report the total to the actuary for the relief association.

The auditor shall send a copy of the audit report to the city, to the commissioner of finance, and to the legislative commission on pensions and retirement.

Sec. 22. [ACTUARY TO DETERMINE MINIMUM OBLIGATION.]

The actuary for the relief association shall determine, according to section 69.77, the minimum obligation of the city for the year 1987 based on the amount of total assets certified by the state auditor in the examination of 1985 financial statements of the relief association.

In addition to the filing of reports required in section 356.215, subdivision 3, the actuary for the relief association shall send a copy of the December 31, 1985, valuation report to the commissioner of finance.

Sec. 23. [STATE AIDS FOR WINONA.]

Upon receipt of the state auditor's report of the relief association for calendar year 1985 and of the valuation report for December 31, 1985, the commissioner of finance shall issue warrants to the city of Winona in the amounts equal to the amounts of police state aid, amortization state aid, and supplemental amortization state aid withheld by the department of finance since August 26, 1985, plus interest at a rate of six percent per annum from the date each state aid payment was withheld."

Page 30, line 20, delete "20" and insert "24"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert "auditing, financial reporting, and state aid for the Winona police relief association;"

The motion prevailed and the amendment was adopted.

H. F. No. 2035, A bill for an act relating to retirement; police and firefighters' relief associations; standardizing auditing requirements; clarifying various duties and responsibilities in the management of local associations; auditing, financial reporting, and state aid for the Winona police relief association; amending Minnesota Statutes 1984, sections 3.85, subdivision 6; 6.72, subdivision 2; 69.011, subdivision 2; 69.021, subdivisions 4 and 7; 69.051; 69.77; 69.773, subdivision 2; 69.775; 69.80; and 424A.001, subdivision 4, and by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 69.011, subdivision 1; 69.031, subdivision 1; and 356.216; proposing coding for new law in Minnesota Statutes, chapters 6 and 423A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Krueger	Osthoff	Segal
Anderson, R.	Erickson	Kvam	Otis	Shaver
Backlund	Fjoslien	Levi	Ozment	Sherman
Battaglia	Forsythe	Lieder	Pauly	Simoneau
Beard	Frederick	Long	Peterson	Skoglund
Becklin	Frederickson	Marsh	Piepho	Solberg
Begich	Frerichs	McDonald	Piper	Stanius
Bennett	Greenfield	McEachern	Poppenhagen	Sviggum
Bishop	Gruenes	McKasy	Price	Thiede
Blatz	Gutknecht	McPherson	Quinn	Thorson
Boerboom	Hartinger	Metzen	Quist	Tjornhom
Boo	Hartle	Miller	Redalen	Tompkins
Brinkman	Haukoos	Minne	Rees	Tunheim
Brown	Heap	Munger	Rest	Valan
Burger	Himle	Murphy	Rice	Valento
Carlson, D.	Jacobs	Nelson, D.	Richter	Vanasek
Carlson, L.	Jaros	Nelson, K.	Riveness	Voss
Clark	Johnson	Norton	Rodosovich	Welle
Clausnitzer	Kahn	O'Connor	Sarna	Wenzel
Cohen	Kalis	Ogren	Schafer	Wynia
DenOuden	Kiffmeyer	Olsen, S.	Scheid	Zaffke
Dimler	Knickerbocker	Olson, E.	Schoenfeld	
Dyke	Knuth	Omann	Schreiber	
Elioff	Kostohryz	Onnen	Seaberg	

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

H. F. No. 2044, A bill for an act relating to courts; altering the responsibility for establishing the salary of the state court administrator and district court administrator; amending Minnesota Statutes 1984, sections 15A.083, subdivision 4; 480.13; and 484.68, subdivision 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Brandl	Dimler	Gutknecht	Kalis
Backlund	Brinkman	Dyke	Hartinger	Kelly
Battaglia	Brown	Elioff	Hartle	Kiffmeyer
Beard	Burger	Ellingson	Haukoos	Knickerbocker
Becklin	Carlson, D.	Forsythe	Heap	Knuth
Begich	Carlson, L.	Frederick	Himle	Kostohryz
Bennett	Clark	Frederickson	Jacobs	Krueger
Blatz	Clausnitzer	Frerichs	Jaros	Kvam
Boerboom	Cohen	Greenfield	Johnson	Levi
Boo	Dempsey	Gruenes	Kahn	Lieder

Long	O'Connor	Poppenhagen	Schoenfeld	Tompkins
Marsh	Ogren	Price	Seaberg	Tunheim
McDonald	Olsen, S.	Quinn	Segal	Valan
McEachern	Omann	Redalen	Shaver	Valento
McKasy	Onnen	Rees	Simoneau	Vanasek
McPherson	Osthoff	Rest	Skoglund	Vellenga
Metzen	Otis	Rice	Solberg	Voss
Minne	Ozment	Richter	Sparby	Welle
Munger	Pappas	Riveness	Stanis	Wenzel
Murphy	Pauly	Rodosovich	Sviggum	Wynia
Nelson, D.	Peterson	Sarna	Thorson	
Nelson, K.	Piepho	Schafer	Tjornhom	
Norton	Piper	Scheid	Tomlinson	

Those who voted in the negative were :

Anderson, G.	Erickson	Olson, E.	Thiede	Zaffke
DenOuden	Fjoslien			

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 2081, A bill for an act relating to human services; directing the commissioner of human services to create a mental health service system; setting forth requirements for a mental health service system; requiring a study; amending Minnesota Statutes 1984, section 245.69, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	DenOuden	Kahn	Nelson, D.	Rees
Anderson, R.	Dimler	Kalis	Nelson, K.	Rest
Backlund	Dyke	Kelly	Norton	Rice
Battaglia	Elioff	Kiffmeyer	O'Connor	Richter
Beard	Ellingson	Knickerbocker	Ogren	Riveness
Becklin	Erickson	Knuth	Olsen, S.	Rodosovich
Begich	Fjoslien	Kostohryz	Olson, E.	Sarna
Bennett	Forsythe	Krueger	Omann	Schafer
Bishop	Frederick	Kvam	Onnen	Scheid
Blatz	Frederickson	Levi	Osthoff	Schoenfeld
Boerboom	Frerichs	Lieder	Otis	Schreiber
Boo	Greenfield	Long	Ozment	Seaberg
Brandl	Gruenes	Marsh	Pappas	Segal
Brinkman	Gutknecht	McDonald	Pauly	Shaver
Brown	Hartinger	McEachern	Peterson	Sherman
Burger	Hartle	McKasy	Piepho	Simoneau
Carlson, D.	Haukoos	McPherson	Piper	Skoglund
Carlson, L.	Heap	Metzen	Poppenhagen	Solberg
Clark	Himle	Miller	Price	Sparby
Clausnitzer	Jacobs	Minne	Quinn	Stanis
Cohen	Jaros	Munger	Quist	Staten
Dempsey	Johnson	Murphy	Redalen	Sviggum

Thiede
Thorson
Tomlinson
Tompkins

Tunheim
Uphus
Valento

Vanasek
Vellenga
Voss

Waltman
Welle
Wenzel

Wynia
Zaffke
Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 1781 was reported to the House.

Uphus moved that H. F. No. 1781 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1835 was reported to the House.

Kelly moved to amend H. F. No. 1835, the first engrossment, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1984, section 611A.06, is amended to read:

611A.06 [RIGHT TO NOTICE OF RELEASE.]

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, (OTHER THAN) *including release on extended furlough and for work release, or released from a facility in which the offender was confined due to incompetency, mental illness, mental deficiency, or commitment under section 253B.18*, prior to the release 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 commissioner or other custodial authority complies with this section if he mails the notice of impending release to the victim at the address which the victim has most recently provided to him in writing."

Renumber the remaining section

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring crime victims to be notified of offender's release from custody;"

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1984, section 611A.06;"

The motion prevailed and the amendment was adopted.

H. F. No. 1835, A bill for an act relating to crimes; prohibiting the solicitation of children to engage in sexual conduct; requiring crime victims to be notified of offender's release from cus-

tody; imposing a penalty; amending Minnesota Statutes 1984, section 611A.06; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Krueger	Pappas	Skoglund
Anderson, R.	Ellingson	Kvam	Pauly	Solberg
Backlund	Erickson	Levi	Peterson	Sparby
Battaglia	Fjoslien	Lieder	Piepho	Stanius
Beard	Forsythe	Long	Piper	Staten
Becklin	Frederick	Marsh	Poppenhagen	Sviggum
Begich	Frederickson	McDonald	Price	Thiede
Bennett	Frerichs	McEachern	Quinn	Thorson
Bishop	Greenfield	McPherson	Quist	Tjornhom
Boerboom	Gruenes	Metzen	Redalen	Tomlinson
Boo	Gutknecht	Miller	Rees	Tompkins
Brandl	Hartinger	Minne	Rest	Tunheim
Brinkman	Hartle	Munger	Rice	Uphus
Brown	Haukoos	Murphy	Richter	Valan
Burger	Heap	Nelson, D.	Rodosovich	Valento
Carlson, D.	Himle	Nelson, K.	Sarna	Vanasek
Carlson, J.	Jacobs	Norton	Schafer	Vellenga
Carlson, L.	Jaros	O'Connor	Scheid	Voss
Clark	Johnson	Ogren	Schoenfeld	Waltman
Clausnitzer	Kalis	Olson, E.	Schreiber	Welle
Cohen	Kelly	Omman	Seaberg	Wenzel
Dempsey	Kiffmeyer	Onnen	Segal	Wynia
DenOuden	Knickerbocker	Osthoff	Shaver	Zaffke
Dimler	Knuth	Otis	Sherman	Spk. Jennings, D.
Dyke	Kostohryz	Ozment	Simoneau	

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

H. F. No. 2009 was reported to the House.

McKasy moved to amend H. F. No. 2009, the first engrossment, as follows:

Page 2, after line 12, insert:

"Sec. 2. Minnesota Statutes 1984, section 44A.02, is amended to read:

44A.02 [(EXECUTIVE DIRECTOR) *PRESIDENT*.]

Subdivision 1. [SELECTION.] The (EXECUTIVE DIRECTOR) *president* of the world trade center board is selected by a majority of the board and serves at the pleasure of the board. The (EXECUTIVE DIRECTOR) *president* must be fa-

miliar with the international business community, and have demonstrated proficiency in communication skills, administration and management (, AND PUBLIC AND PRIVATE JOINT VENTURES). The salary of the (EXECUTIVE DIRECTOR) *president* is set by the board within the limit set by sections 15A.081, subdivision 1, and 43A.17.

Subd. 2. [DUTIES.] The (EXECUTIVE DIRECTOR) *president* is the chief administrative officer of the board and is responsible for performing the executive duties of the board. The (EXECUTIVE DIRECTOR) *president* is not a member of the board.

Subd. 3. [EMPLOYEES.] The (EXECUTIVE DIRECTOR) *president* may appoint unclassified employees in accordance with chapter 43A and prescribe their duties. The (EXECUTIVE DIRECTOR) *president* may delegate to a subordinate the exercise of specified statutory powers or duties as the (EXECUTIVE DIRECTOR) *president* deems advisable, subject to the control of the (EXECUTIVE DIRECTOR) *president*."

Re-number the remaining sections accordingly

Page 3, line 28, delete "*nonpublic data*" and insert "*not subject to chapter 13*"

Page 3, line 29, delete everything before the period

Page 4, delete lines 3 and 4 and insert "(2) *At the request of either party to the transaction data on business transactions.*"

Page 4, line 7, delete "*specific*" and insert "*business or*"

Amend the title as follows:

Page 1, line 4, after the semicolon insert "*classifying data held by the board;*"

Page 1, line 5, after the first semicolon insert "*44A.02;*"

The motion prevailed and the amendment was adopted.

H. F. No. 2009, A bill for an act relating to economic development; defining the duties and terms of office of the members of the world trade center board; classifying data held by the board; amending Minnesota Statutes 1984, sections 44A.01, subdivision 1; 44A.02; 44A.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 44A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Krueger	Otis	Sherman
Backlund	Erickson	Levi	Ozment	Simoneau
Battaglia	Fjoslien	Lieder	Pappas	Skoglund
Beard	Forsythe	Long	Pauly	Solberg
Becklin	Frederick	Marsh	Peterson	Sparby
Begich	Frederickson	McDonald	Piepho	Stanius
Bennett	Frerichs	McEachern	Piper	Staten
Bishop	Greenfield	McKasy	Poppenhagen	Sviggum
Blatz	Gruenes	McLaughlin	Price	Thiede
Boerboom	Gutknecht	McPherson	Quinn	Thorson
Boo	Hartinger	Metzen	Quist	Tjornhom
Brandl	Hartle	Miller	Redalen	Tomlinson
Brinkman	Haukoos	Minne	Rees	Tompkins
Brown	Heap	Munger	Rest	Tunheim
Burger	Himle	Murphy	Rice	Valan
Carlson, D.	Jacobs	Nelson, D.	Richter	Valento
Carlson, J.	Jaros	Nelson, K.	Riveness	Vanasek
Carlson, L.	Johnson	Norton	Rodosovich	Vellenga
Clark	Kahn	O'Connor	Sarna	Voss
Cohen	Kalis	Ogren	Schafer	Waltman
Dempsey	Kelly	Olsen, S.	Scheid	Welle
DenOuden	Kiffmeyer	Olson, E.	Schoenfeld	Wenzel
Dimler	Knickerbocker	Omann	Seaberg	Wynia
Dyke	Knuth	Onnen	Segal	Spk. Jennings, D.
Elioff	Kostohryz	Osthoff	Shaver	

The bill was passed, as amended, and its title agreed to:

H. F. No. 2011 was reported to the House.

McKasy moved that H. F. No. 2011 be returned to its author. The motion prevailed.

H. F. No. 2012 was reported to the House.

Marsh moved to amend H. F. No. 2012, the first engrossment, as follows:

Page 5, line 7, after the period, insert:

"For the purposes of this subdivision, at least one representative of a youth intervention program or, where this type of program is unavailable, one representative of a nonprofit agency serving youth in crisis, shall be appointed to and serve on the multidisciplinary child protection team in addition to the standing members of the team."

The motion prevailed and the amendment was adopted.

Kelly moved to amend H. F. No. 2012, the first engrossment, as amended, as follows:

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 1984, section 609.115, subdivision 1c, is amended to read:

Subd. 1c. [NOTICE TO VICTIM.] The officer conducting the presentence or predispositional report shall make reasonable and good faith efforts to contact the victim of that crime and to provide that victim with the following information: (i) the charge or juvenile court petition to which the defendant has been convicted or pleaded guilty, or the juvenile respondent has admitted in court or has been found to have committed by the juvenile court, and of any plea agreement between the prosecution and the defense counsel; (ii) his right to request restitution pursuant to section 611A.04; (iii) the time and place of the sentencing or juvenile court disposition and his right to be present and *make an oral or written impact statement at the sentencing or disposition hearing either personally, by counsel or, with leave of the court, by another representative selected by the victim*; and (iv) his right to object in writing to the court, prior to the time of sentencing or juvenile court disposition, to the proposed sentence or juvenile dispositional alternative, or to the terms of the proposed plea agreement. To assist the victim in making a recommendation under clause (iv), the officer shall provide the victim with information about the court's options for sentencing and other dispositions. Failure of the officer to comply with this subdivision does not give any rights or grounds for post-conviction or post-juvenile disposition relief to the defendant or juvenile court respondent, nor does it entitle a defendant or a juvenile court respondent to withdraw a plea of guilty."

Renumber the remaining sections

Page 4, after line 35, insert:

"Sec. 6. [611A.025] [VICTIM-WITNESS PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] In every judicial district where no victim assistance program otherwise exists and where sufficient local or federal funds are available, the chief judge shall establish a victim-witness program for the purpose of providing centralized notification, management, and assistance services to victims and witnesses in criminal proceedings in the district. The program shall be managed by the judicial district administrator.

Subd. 2. [SERVICES.] The victim-witness program must provide the following services to victims and witnesses, as appropriate:

(1) provide general information on court procedures and personnel;

(2) *provide specific information on the scheduling, rescheduling or dismissal, and location of court proceedings, and the filing of motions in those proceedings;*

(3) *provide information on transportation and parking options and assistance with transportation to court when needed;*

(4) *process witness fee claims;*

(5) *provide victims with information on their right to be notified of and have input into plea negotiations and presentence investigation reports;*

(6) *provide victims with information on their right to request restitution and seek reparations payments from the state, including information and assistance on how to apply for reparations;*

(7) *provide information on the rights of witnesses to be protected from adverse employer action due to court appearances, and provide appropriate intercession to ensure that employers will cooperate with the criminal justice process so as to minimize their employees' loss of wages or other benefits due to court appearances;*

(8) *assist with expediting the return of any stolen or other personal property when not needed as evidence;*

(9) *provide any other type of assistance or information that would be useful to victims and witnesses during the criminal justice process; and*

(10) *provide information and referral to existing victim assistance programs.*

Sec. 7. Minnesota Statutes 1984, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. [PLEA AGREEMENTS; NOTIFICATION OF VICTIM.] Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(a) The contents of the plea agreement recommendation; and

(b) His right to be present at the sentencing hearing and to express *orally* or in writing any objection he has to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated his objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court.

Sec. 8. [611A.032] [VICTIM INPUT REGARDING PRE-TRIAL DIVERSION.]

A prosecutor shall make every reasonable effort to notify and seek input from the victim when the prosecutor is considering the admission of the alleged offender into a pretrial diversion program in lieu of prosecution.

Sec. 9. [611A.034] [SEPARATE WAITING AREAS IN COURT HOUSE.]

The court shall provide a waiting area for victims during court proceedings which is separate from the waiting area used by the defendant, the defendant's relatives, and defense witnesses, if such a waiting area is available and its use is practical. If a separate waiting area for victims is not available or practical, the court shall provide other safeguards to minimize the victim's contact with the defendant, the defendant's relatives, and defense witnesses during court proceedings.

Sec. 10. [611A.037] [RIGHT TO MAKE OR SUBMIT STATEMENT AT SENTENCING.]

Subdivision 1. [WRITTEN IMPACT STATEMENT.] A victim has the right to submit a written impact statement to the court at the sentencing or disposition hearing. The victim's written statement may include but need not be limited to the following:

(1) a summary of the harm or trauma suffered by the victim as a result of the crime;

(2) a summary of the economic loss or damage suffered by the victim as a result of the crime;

(3) whether or not the victim seeks or is in need of restitution or other compensation for harm or loss suffered; and

(4) the victim's recommendation for an appropriate sentence or disposition, and the victim's objections, if any, to the proposed sentence or disposition.

If the court determines that, due to the victim's age or other disability, the victim is unable to submit an impact statement in writing, it shall permit the victim to make the statement orally at the sentencing or disposition hearing.

Subd. 2. [ORAL IMPACT STATEMENT.] A victim has standing at trial to appear and make an oral impact statement at the sentencing or disposition hearing either personally, by counsel or, with leave of court, by another representative selected by the victim. The oral statement may contain the following information:

(1) a concise statement of what disposition the victim deems appropriate for the defendant or juvenile court respondent, including the reasons, if any, which support the victim's opinion; and

(2) the victim's objections, if any, to the proposed sentence or disposition.

A victim who, due to age or other disability, is permitted by the court to make an oral impact statement under subdivision 1 shall not make an additional impact statement under this subdivision."

Renumber the remaining sections

Page 5, line 11, delete "4" and insert "5"

Page 5, after line 14, insert:

"Sec. 12. Minnesota Statutes 1985 Supplement, section 631.-046, is amended to read:

631.046 [AUTHORIZING PRESENCE OF (PARENT) SUPPORT PERSON FOR PROSECUTING WITNESS.]

Subdivision 1. [CHILD ABUSE CASES.] Notwithstanding any other law, a prosecuting witness under 18 years of age in a case involving child abuse as defined in section 630.36, subdivision 2, may choose to have in attendance a parent, guardian, or other supportive person, whether or not a witness, at the omnibus hearing or at the trial, during testimony of the prosecuting witness. If the person so chosen is also a prosecuting witness, the prosecution shall present on noticed motion, evidence that the person's attendance is both desired by the prosecuting witness for support and will be helpful to the prosecuting witness. Upon that showing the court shall grant the request unless information presented by the defendant or noticed by the court establishes that the support person's attendance during the testimony of the prosecuting witness would pose a substantial risk of influencing or affecting the content of that testimony.

Subd. 2. [OTHER CASES.] Notwithstanding any other law, a prosecuting witness in any case not covered by subdivision 1 may choose to be accompanied by a supportive person, whether or not a witness, at the omnibus or other pretrial hearing. If the supportive person is also a witness, the prosecution and the court shall follow the motion procedure outlined in subdivision 1 to determine whether or not the supportive person's presence will be permitted."

Renumber the remaining section

Page 5, line 16, delete "5" and insert "12"

Amend the title as follows:

Page 1, line 11, after the semicolon, insert "providing additional protections for victims of crime;"

Page 1, line 12, after "sections" insert "609.115, subdivision 1c;"

Page 1, line 13, after the semicolon, insert "611A.03, subdivision 1;" and delete "and"

Page 1, line 14, after the semicolon, insert "and Minnesota Statutes 1985 Supplement, section 631.046;"

Page 1, line 15, delete "chapter" and insert "chapters" and before the period insert "and 611A"

The motion prevailed and the amendment was adopted.

Clausnitzer moved to amend H. F. No. 2012, the first engrossment, as amended, as follows:

Page 4, line 31, delete "5" and insert "12"

Page 4, after line 35, insert:

"Sec. 11. [609.3232] [PROTECTIVE ORDER AUTHORIZED; PROCEDURES; PENALTIES.]

Subdivision 1. [ORDER FOR PROTECTION.] Any parent or guardian who knows or has reason to believe that a person, while acting as other than a prostitute or patron, is inducing, coercing, soliciting, or promoting the prostitution of the parent or guardian's minor child, or is offering or providing food, shelter, or other subsistence for the purpose of enabling the parent or guardian's minor child to engage in prostitution, may seek an order for protection in the manner provided in this section.

Subd. 2. [COURT JURISDICTION.] An application for relief under this section shall be filed in the juvenile court. Actions under this section shall be given docket priority by the court.

Subd. 3. [CONTENTS OF PETITION.] A petition for relief shall allege the existence of a circumstance or circumstances described in subdivision 1, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought. The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

Subd. 4. [HEARING ON APPLICATION; NOTICE.] (a) Upon receipt of the petition, the court shall order a hearing which shall be held no later than 14 days from the date of the order. Personal service shall be made upon the respondent not less than five days before the hearing. In the event that personal service cannot be completed in time to give the respondent the minimum notice required under this paragraph, the court may set a new hearing date.

(b) Notwithstanding the provisions of paragraph (a), service may be made by one week published notice, as provided under section 645.11, provided the petitioner files with the court an affidavit stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise, and that a copy of the petition and notice of hearing has been mailed to the respondent at the respondent's residence or that the residence is not known to the petitioner. Service under this paragraph is complete seven days after publication. The court shall set a new hearing date if necessary to allow the respondent the five-day minimum notice required under paragraph (a).

Subd. 5. [RELIEF BY THE COURT.] Upon notice and hearing, the court may order the respondent to return the minor child to the residence of the child's parents or guardian, and may order that the respondent cease and desist from committing further acts described in subdivision 1 and cease to have further contact with the minor child. Any relief granted by the court in the order for protection shall be for a fixed period of time determined by the court.

Subd. 6. [SERVICE OR ORDER.] Any order issued under this section shall be served personally on the respondent. Upon the request of the petitioner, the court shall order the sheriff to assist in the execution or service of the order for protection.

Subd. 7. [VIOLATION OF ORDER FOR PROTECTION.] (a) A violation of an order for protection shall constitute contempt of court and be subject to the penalties provided under chapter 588.

(b) Any person who willfully fails to return a minor child as required by an order for protection issued under this section commits an act which manifests an intent substantially to deprive the parent or guardian of custodial rights within the meaning of section 609.26, clause (3)."

Renumber the remaining sections

Page 5, line 16, delete "5" and insert "10, 12 and 13"

Page 5, line 17, after the period, insert "Section 11 is effective August 1, 1986."

Amend the title as follows:

Page 1, line 11, after the semicolon, insert "authorizing parents and guardians to seek an order for protection to obtain return of a minor child who is being used or induced to practice prostitution;"

The motion prevailed and the amendment was adopted.

H. F. No. 2012, A bill for an act relating to crimes; increasing penalties for soliciting or inducing an individual under the age of 13 to practice prostitution; imposing criminal liability on persons who receive profit from prostitution if they have reason to believe it was derived from prostitution; imposing criminal penalties on persons who allow juvenile prostitutes to reside in their dwelling; providing for a penalty assessment; authorizing counties to develop a program of outreach services for juvenile prostitutes; providing additional protections for victims of crime; authorizing parents and guardians to seek an order for protection to obtain return of a minor child who is being used or induced to practice prostitution; amending Minnesota Statutes 1984, sections 609.115, subdivision 1c; 609.322; 609.323; 609.324, by adding a subdivision; 611A.03, subdivision 1; 626.558, by adding a subdivision; and Minnesota Statutes 1985 Supplement, section 631.046; proposing coding for new law in Minnesota Statutes, chapters 609 and 611A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DenOuden	Kelly	Norton	Rice
Backlund	Dimler	Kiffmeyer	O'Connor	Richter
Baitaglia	Dyke	Knickerbocker	Ogren	Riveness
Beard	Elioff	Knuth	Olsen, S.	Rodosovich
Becklin	Ellingson	Kostohryz	Olson, E.	Sarna
Begich	Fjeslien	Krueger	Omann	Schafer
Bennett	Forsythe	Kvam	Onnen	Scheid
Bishop	Frederick	Levi	Osthoff	Schoenfeld
Blatz	Frederickson	Lieder	Otis	Schreiber
Boerboom	Frerichs	Long	Ozment	Seaberg
Boo	Greenfield	Marsh	Pappas	Segal
Brandl	Gruenes	McDonald	Pauly	Shaver
Brinkman	Hartinger	McEachern	Peterson	Sherman
Brown	Hartle	McKasy	Piepho	Simoneau
Burger	Haukoos	McPherson	Piper	Skoglund
Carlson, D.	Heap	Metzen	Poppenhagen	Solberg
Carlson, J.	Himle	Miller	Price	Sparby
Carlson, L.	Jacobs	Minne	Quinn	Sianius
Clark	Jaros	Munger	Quist	Staten
Clausnitzer	Johnson	Murphy	Rcdalen	Svigum
Cohen	Kahn	Nelson, D.	Rees	Thiede
Dempsey	Kalis	Nelson, K.	Rest	Thorson

Tjornhom	Uphus	Vanasek	Waltman	Wynia
Tomlinson	Valan	Vellenga	Welle	Zaffke
Tompkins	Valento	Voss	Wenzel	Spk. Jennings, D.
Tunheim				

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

S. F. No. 1597 was reported to the House.

Dimler moved to amend S. F. No. 1597, as follows:

Page 2, line 36, delete "*September 1, 1986*" and insert "*the day following final enactment*"

The motion prevailed and the amendment was adopted.

Bishop moved to re-refer S. F. No. 1597, as amended, to the Committee on Financial Institutions and Insurance.

A roll call was requested and properly seconded.

The question was taken on the Bishop motion and the roll was called. There were 50 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Carlson, J.	Gruenes	Miller	Richter
Backlund	Clausnitzer	Gutknecht	Olsen, S.	Shaver
Battaglia	DenOuden	Hartle	Omann	Sherman
Becklin	Dyke	Heap	Onnen	Sviggum
Begich	Elioff	Kiffmeyer	Otis	Thiede
Bennett	Erickson	Kostohryz	Ozment	Thorson
Bishop	Fjoslien	Kvam	Piepho	Tompkins
Boerboom	Forsythe	Marsh	Poppenhagen	Valan
Boo	Frederick	McPherson	Quist	Zaffke
Burger	Frederickson	Metzen	Rees	Spk. Jennings, D.

Those who voted in the negative were:

Anderson, G.	Jacobs	McLaughlin	Price	Solberg
Beard	Jaros	Minne	Quinn	Sparby
Brandl	Johnson	Munger	Rest	Staten
Brown	Kahn	Murphy	Rice	Tjornhom
Carlson, D.	Kalis	Nelson, D.	Riveness	Tomlinson
Carlson, L.	Kelly	Nelson, K.	Rodosovich	Tunheim
Clark	Knickerbocker	Norton	Sarna	Uphus
Cohen	Knuth	O'Connor	Scheid	Vanasek
Dempsey	Krueger	Ogren	Schoenfeld	Vellenga
Dimler	Lieder	Olson, E.	Schreiber	Voss
Ellingson	Long	Osthoff	Seaberg	Welle
Frerichs	McDonald	Pappas	Segal	Wenzel
Greenfield	McEachern	Peterson	Simoneau	Wynia
Haukoos	McKasy	Piper	Skoglund	

The motion did not prevail.

S. F. No. 1597, A bill for an act relating to agriculture; removing the liability of persons who buy farm products; repealing the notification and registration system for security interests in farm products; amending Minnesota Statutes 1985 Supplement, sections 17A.04, subdivisions 2 and 5; and 336.9-307; repealing Minnesota Statutes 1985 Supplement, sections 17A.04, subdivision 1a; 27.03, subdivision 2; 223.17, subdivision 1a; 223A.01; and 386.42.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 73 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Levi	Peterson	Sparby
Backlund	Fjoslien	Lieder	Piper	Staten
Battaglia	Frerichs	Long	Price	Sviggum
Beard	Greenfield	McDonald	Quinn	Tjornhom
Becklin	Haukoos	McLaughlin	Rees	Tomlinson
Brandl	Jacobs	Minne	Rice	Tunheim
Brinkman	Jaros	Munger	Riveness	Uphus
Brown	Johnson	Nelson, D.	Rodosovitch	Vanasek
Burger	Kahn	Nelson, K.	Schoenfeld	Vellenga
Carlson, D.	Kalis	Norton	Schreiber	Voss
Carlson, L.	Kelly	Ogren	Seaberg	Welle
Clark	Knickerbocker	Olson, E.	Segal	Wenzel
Cohen	Knuth	Otis	Simoneau	Wynia
Dimler	Kostohryz	Pappas	Skoglund	
Elioff	Krueger	Pauly	Solberg	

Those who voted in the negative were:

Anderson, R.	DenOuden	Heap	Omann	Thiede
Begich	Dyke	Kiffmeyer	Piepho	Thorson
Bennett	Erickson	Kvam	Poppenhagen	Tompkins
Bishop	Forsythe	Marsh	Quist	Valan
Blatz	Frederick	McKasy	Rest	Valento
Boerboom	Frederickson	McPherson	Richter	Zaffke
Boo	Gruenes	Metzen	Shaver	
Carlson, J.	Hartinger	Miller	Sherman	
Dempey	Hartle	Murphy	Stanius	

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

Levi moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Seaberg moved that the name of Pappas be added as an author on H. A. No. 73. The motion prevailed.

Voss moved that the name of Knickerbocker be added as chief author and the name of Voss be shown as second author and the names of Knuth and Rodosovich be added as authors on H. F. No. 1101. The motion prevailed.

Quist moved that his name be stricken as an author on H. F. No. 1795. The motion prevailed.

Frederick moved that the name of Murphy be added as an author on H. F. No. 2229. The motion prevailed.

Thorson moved that the name of Bishop be added as an author on H. F. No. 2411. The motion prevailed.

Schreiber moved that the name of Olsen, S., be added as an author on H. F. No. 2467. The motion prevailed.

Ozment moved that the name of Neuenschwander be added as an author on H. F. No. 2498. The motion prevailed.

Waltman, Redalen, Johnson and Frerichs introduced :

House Resolution No. 44, A house resolution to recognize and celebrate the 25th anniversary of the Richard J. Dorer Memorial Hardwood Forest.

The resolution was referred to the Committee on Environment and Natural Resources.

Segal, Long and Skoglund introduced :

House Resolution No. 45, A house resolution extending condolences of the people of Minnesota to the people of Sweden on the death of Prime Minister Olaf Palme.

SUSPENSION OF RULES

Segal moved that the rules be so far suspended that House Resolution No. 45 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 45

A house resolution extending condolences of the people of Minnesota to the people of Sweden on the death of Prime Minister Olaf Palme.

Whereas, Olaf Palme, the Prime Minister of Sweden, was killed by an assassin on Friday, February 28, 1986, while he walked with his wife, unarmed and unguarded, on a public street; and

Whereas, Olaf Palme had connections to the United States, having graduated from Kenyon College, Ohio, in 1948; and

Whereas, since Olaf Palme was a man who loved life and liberty passionately, it is especially tragic that he died at the hand of an assassin; and

Whereas, the people of Minnesota, who have a strong Swedish heritage and who are also dedicated to life and liberty, were especially affected by news of Olaf Palme's death; and

Whereas, this attack upon the democratic government of Sweden is abhorrent to the democratic people of Minnesota; and

Whereas, it is necessary and appropriate for the House of Representatives, as the representatives of the people of Minnesota, to express the sorrow and grief of the people of Minnesota to the family of Olaf Palme and the people of Sweden; *Now Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that, on behalf of the people of Minnesota, it extends its most profound condolences to the family of Olaf Palme and the people of Sweden. It hopes that, in some way, the knowledge that grief over this tragic loss is shared by people worldwide, will lighten their burden of grief. It condemns the cowardly act of the assassin and joins with the people of Sweden in looking for the day that all free peoples, whether in government power or not, can always be assured that they can go wherever they want and not be harmed.

Be It Further Resolved that it directs the Chief Clerk of the House of Representatives to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Speaker, and present them to the family of Olaf Palme and the succeeding Prime Minister of Sweden.

Segal moved that House Resolution No. 45 be now adopted. The motion prevailed and House Resolution No. 45 was adopted.

Carlson, J., moved that H. F. No. 2468, now on the Consent Calendar, be re-referred to the Committee on Appropriations. The motion prevailed.

Forsythe moved that H. F. No. 2259, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Nelson, D., moved that H. F. No. 2010, now on General Orders, be re-referred to the Committee on Education.

A roll call was requested and properly seconded.

Simoneau moved to lay the Nelson, D., motion on the table.

A roll call was requested and properly seconded.

The question was taken on the Simoneau motion and the roll was called. There were 68 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Greenfield	Lieder	Pappas	Skoglund
Backlund	Gruenes	Long	Pauly	Stanius
Begich	Gutknecht	Marsh	Peterson	Thorson
Bennett	Hartinger	McDonald	Piepho	Tjornhom
Bishop	Haukoos	McKasy	Piper	Tompkins
Blatz	Himle	McPherson	Quinn	Tunheim
Burger	Jacobs	Metzen	Quist	Uphus
Carlson, J.	Jaros	Minne	Rees	Valan
Carlson, L.	Kahn	Murphy	Rest	Valento
Clausnitzer	Kiffmeyer	Norton	Riveness	Vellenga
Cohen	Knickerbocker	O'Connor	Scheid	Voss
Dempsey	Knuth	Ogren	Seaberg	Wynia
Dimler	Kostohryz	Osthoff	Shaver	
Frerichs	Levi	Ozment	Simoneau	

Those who voted in the negative were:

Anderson, G.	Dyke	Miller	Price	Solberg
Battaglia	Elioff	Munger	Rice	Sparby
Becklin	Erickson	Nelson, D.	Richter	Sviggum
Boerboom	Frederick	Nelson, K.	Rodosovich	Thiede
Boo	Frederickson	Olsen, S.	Sarna	Vanasek
Brandl	Hartle	Omann	Schafer	Wenzel
Brown	Kalis	Onnen	Schoenfeld	Zaffke
Carlson, D.	Krueger	Otis	Segal	
DenOuden	McEachern	Poppenhagen	Sherman	

The motion prevailed and the Nelson, D., motion to re-refer H. F. No. 2010 to the Committee on Education was laid on the table.

Jacobs moved that H. F. No. 142 be recalled from the Committee on General Legislation and Veterans Affairs and be re-referred to the Committee on Rules and Legislative Administration.

A roll call was requested and properly seconded.

The question was taken on the Jacobs motion and the roll was called. There were 30 yeas and 78 nays as follows:

Those who voted in the affirmative were :

Battaglia	Dempsey	Krueger	Osthoff	Schoenfeld
Beard	Jacobs	Minne	Pappas	Simoneau
Begich	Jaros	Norton	Piper	Solberg
Brinkman	Kelly	O'Connor	Price	Sparby
Carlson, L.	Knuth	Ogren	Rest	Tomlinson
Cohen	Kostohryz	Omann	Scheid	Tunheim

Those who voted in the negative were :

Becklin	Forsythe	Knickerbocker	Otis	Stanius
Bennett	Frederick	Kvam	Ozment	Sviggum
Blatz	Frederickson	Lieder	Pauly	Thiede
Boerboom	Frerichs	Long	Piepho	Thorson
Boo	Greenfield	Marsh	Poppenhagen	Tjornhom
Brandl	Gruenes	McDonald	Quist	Tompkins
Brown	Gutknecht	McKasy	Rees	Uphus
Burger	Hartinger	McLaughlin	Rice	Valan
Carlson, D.	Hartle	McPherson	Richter	Valento
Carlson, J.	Haukoos	Miller	Rodosovich	Vellenga
Clausnitzer	Heap	Munger	Schafer	Voss
DenOuden	Himle	Murphy	Schreiber	Wenzel
Dimler	Johnson	Nelson, D.	Seaberg	Wynia
Dyke	Kahn	Nelson, K.	Shaver	Zaffke
Erickson	Kalis	Olsen, S.	Sherman	
Fjoslien	Kiffmeyer	Onnen	Skoglund	

The motion did not prevail.

ADJOURNMENT

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, March 6, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1986

EIGHTIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 6, 1986

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Don Sheffield, Golden Valley Methodist Church, Golden Valley, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Elioff	Kvam	Pauly	Skoglund
Anderson, R.	Erickson	Levi	Peterson	Solberg
Backlund	Fjoslien	Lieder	Piepho	Sparby
Battaglia	Forsythe	Long	Piper	Stanius
Beard	Frederick	Marsh	Poppenhagen	Staten
Becklin	Frederickson	McDonald	Price	Sviggum
Begich	Frerichs	McEachern	Quinn	Thiede
Bennett	Greenfield	McLaughlin	Quist	Thorson
Bishop	Gruenes	McPherson	Redalen	Tjornhom
Blatz	Hartinger	Miller	Rees	Tomlinson
Boerboom	Hartle	Minne	Rest	Tompkins
Boo	Haukoos	Munger	Rice	Tunheim
Brandl	Heap	Murphy	Richter	Uphus
Brinkman	Himle	Nelson, D.	Riveness	Valan
Brown	Jacobs	Nelson, K.	Rodosovich	Valento
Burger	Jaros	Neuenschwander	Rose	Vanasek
Carlson, D.	Jennings, L.	Norton	Sarna	Vellenga
Carlson, J.	Johnson	O'Connor	Schafer	Voss
Carlson, L.	Kahn	Ogren	Scheid	Waltman
Clark	Kalis	Olsen, S.	Schoenfeld	Welle
Clausnitzer	Kelly	Omam	Schreiber	Wenzel
Cohen	Kiffmeyer	Onnen	Seaberg	Wynia
Dempsey	Knickerbocker	Osthoff	Segal	Zaffke
DenOuden	Knuth	Ouis	Shaver	Spk. Jennings, D.
Dimler	Kostohryz	Ozment	Sherman	
Dyke	Krueger	Pappas	Simoneau	

A quorum was present.

Gutknecht, Halberg, McKasy, Metzen and Olson, E., were excused.

Ellingson was excused until 3:05 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Waltman moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 2471, 2472, 2501, 720, 1793, 2250, 1459, 2000, 2166, 2190, 2240, 2351, 2397, 2111, 2229, 2427, 1635, 1940, 2265, 2453, 2233, 1835, 2035, 2009 and 2012 and S. F. Nos. 1914, 2062, 1851, 1680, 1790, 1880, 1950, 1965, 1641, 1823, 2018, 51, 1613, 1733, 1797, 1850, 421, 1441, 1919, 1949, 496, 1794, 1910, 1643, 1742, 1793, 1642, 1810 and 2039 have been placed in the members' files.

S. F. No. 1742 and H. F. No. 1945, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Heap moved that S. F. No. 1742 be substituted for H. F. No. 1945 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1797 and H. F. No. 1912, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Frederickson moved that S. F. No. 1797 be substituted for H. F. No. 1912 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1823 and H. F. No. 1956, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Boo moved that S. F. No. 1823 be substituted for H. F. No. 1956 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1851 and H. F. No. 2168, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Miller moved that S. F. No. 1851 be substituted for H. F. No. 2168 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1642 and H. F. No. 2233, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dyke moved that S. F. No. 1642 be substituted for H. F. No. 2233 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1880 and H. F. No. 2030, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Fjoslien moved that S. F. No. 1880 be substituted for H. F. No. 2030 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1914 and H. F. No. 2250, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hartinger moved that S. F. No. 1914 be substituted for H. F. No. 2250 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1919 and H. F. No. 2082, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Sviggum moved that S. F. No. 1919 be substituted for H. F. No. 2082 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1965 and H. F. No. 1951, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Sviggum moved that S. F. No. 1965 be substituted for H. F. No. 1951 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1613 and H. F. No. 1846, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Redalen moved that the rules be so far suspended that S. F. No. 1613 be substituted for H. F. No. 1846 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 496 and H. F. No. 720, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Quist moved that the rules be so far suspended that S. F. No. 496 be substituted for H. F. No. 720 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1441 and H. F. No. 2072, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Gruenes moved that the rules be so far suspended that S. F. No. 1441 be substituted for H. F. No. 2072 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1680 and H. F. No. 1785, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Backlund moved that the rules be so far suspended that S. F. No. 1680 be substituted for H. F. No. 1785 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1733 and H. F. No. 1883, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Uphus moved that the rules be so far suspended that S. F. No. 1733 be substituted for H. F. No. 1883 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1950 and H. F. No. 2077, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bishop moved that the rules be so far suspended that S. F. No. 1950 be substituted for H. F. No. 2077 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1101, A bill for an act relating to administrative procedures; clarifying provisions relating to emergency rules; amending Minnesota Statutes 1984, section 14.29, subdivisions 1 and 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 14.02, subdivision 4, is amended to read:

Subd. 4. [RULE.] "Rule" means *the whole or a part of every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by it or to govern its organization or procedure. Every agency statement that meets this definition is a rule, regardless of whether the agency labels the statement with another term, such as a policy, informational, interpretive, or instructional bulletin or statement.* (IT) Rule does not include (a) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; (b) rules of the commissioner of corrections relating to the internal management of institutions under the commissioner's control and those rules governing the inmates thereof prescribed pursuant to section 609.105; (c) rules of the division of game and fish published in accordance with section 97.53; (d) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs; (e) opinions of the attorney general; (f) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931; (g) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932; (h) the comprehensive statewide plan of the crime control planning board provided in section 299A.03; or (i) occupational safety and health standards provided in section 182.655.

Sec. 2. [14.045] [RULEMAKING PLANNING PROCESS.]

Subdivision 1. [PURPOSE.] In order to create a coordinated process for developing on an annual basis Minnesota's rulemaking program, establish the state's rulemaking priorities, increase the accountability of agency heads for the rulemaking actions of their agencies, provide for executive and legislative oversight of the

rulemaking process, reduce the burdens of existing and future rules, minimize duplication and conflict of rules, and enhance public, executive, and legislative understanding of the state's rulemaking objectives, there is established a rulemaking planning process by which agencies will develop and publish a rulemaking program for each year.

Subd. 2. [AGENCY SUBMISSION OF RULEMAKING PROGRAM.] (a) The head of each agency shall submit to the legislative commission to review administrative rulemaking a rulemaking program consisting of information summarizing all actions of the agency relating to rulemaking, planned or underway. These actions include actions taken to consider whether to initiate rulemaking, requests for public comment, the development of documents that may influence, anticipate, or could lead to the commencement of rulemaking at a later date, actions taken to seek new rulemaking authority from the legislature, or any agency action designated by the commission as related to rulemaking. An action relating to rulemaking does not include a contested case proceeding or other agency enforcement proceeding. The rulemaking program must include a concise statement summarizing the need for the proposed rules and the costs and benefits expected to result from the rules that may be proposed. The rulemaking program shall be submitted to the legislative commission each year on January 1, unless otherwise determined by the commission, and shall cover the period January 1 to December 31 of that year. After the end of each regular legislative session, each agency head shall review the agency's rulemaking program in light of action taken by the legislature and, if necessary, shall submit a revised rulemaking program to the commission by July 1.

(b) The agency's submission must explain how the proposed rulemaking program is consistent with the agency's authorizing legislation. The rulemaking program must specifically discuss the actions of the agency to amend or repeal existing rules.

(c) Each agency head shall summarize the rulemaking actions described in paragraph (a) in the format that the legislative commission specifies, and provide additional information that the commission requests.

The legislative commission may exempt from the requirements of this section any class or category of actions that the commission determines is not necessary to review in order to achieve the effective implementation of the program.

Subd. 3. [REVIEW OF THE RULEMAKING PROGRAM.]

(a) In reviewing each agency's rulemaking program, the legislative commission shall (i) consider the consistency of the rulemaking program with the legislature's policies and priorities and the rulemaking programs submitted by other agencies; and (ii)

identify further actions that may, in the commission's view, be necessary to achieve this consistency. The commission may make recommendations to any agency concerning its rulemaking program. The commission may publish parts or all of any rulemaking program along with the commission's recommendations.

(b) If the agency head proposes to take an action relating to rulemaking not previously submitted for review under this section, or if the agency head proposes to take an action relating to rulemaking that is materially different from the action described in the agency's rulemaking program, the agency head shall immediately submit the action to the commission for review. Except in the case of emergency situations, as defined by the commission or statutory or judicial deadlines, the agency head shall not take the proposed rulemaking action until 20 days after this submission to the legislative commission. The commission may make recommendations concerning these proposed rulemaking actions.

Subd. 4. [JUDICIAL REVIEW.] This section is intended only to improve the internal management of state government, and is not intended to create any right or benefit, substantive or procedural, enforceable at law by a party against the state, its agencies, its officers, or any person.

Sec. 3. [14.116] [REVIEW OF PROPOSED RULES.]

Subdivision 1. [PROPOSED RULEMAKING NOTICE.] Before an agency orders the publication of a notice of intent to adopt rules, the agency shall send the legislative commission to review administrative rulemaking a notice of intent to proceed with rulemaking, including adoption, suspension, amendment, or repeal of any rule. The notice shall include the text of the proposed rule. Except in the case of emergency rules or other cases specified by the commission, the agency must wait 30 days for any comment or objections to the proposed rule from the commission before publishing notice of intent to adopt rules. In the case of emergency rules, the agency must wait five working days.

Subd. 2. [COMMISSION REVIEW.] (a) The commission shall prescribe procedures for reviewing proposed agency rules and may hold public meetings on proposed rules.

(b) *Commission meetings must be open to the public. Subject to commission procedures, persons may present oral or written data or views at those meetings. The commission may require a representative of an agency whose proposed rule is under examination to attend a commission meeting to answer relevant questions. The commission may also communicate to the agency its comments on any proposed rule and require the agency to respond to them in writing. Unless impracticable, advance notice must be given of the time and place of each commission meeting and the specific subject matter to be considered.*

(c) *The commission may request the attorney general to issue an opinion on whether or not an agency has statutory authority to adopt a proposed rule. The attorney general shall assure that persons responsible for assisting in the preparation of the opinion are not responsible for advising or assisting the agency in the adoption of the proposed rules. The attorney general shall respond to the commission within ten days of receipt of the commission's request for an opinion.*

(d) (1) *If the commission objects to all or some portion of a proposed rule the commission shall file that objection with the agency proposing the rule and with the revisor of statutes. The filed objection must contain a concise statement of the commission's reasons for its action. The commission shall maintain a permanent register of all objections by the commission.*

(2) *Within 14 days after the commission files an objection to a rule, the issuing agency shall respond in writing to the commission. After receipt of the response, the commission may withdraw or modify its objection.*

(3) *If the agency decides to proceed with adopting the portion of the rule that the commission objects to, the agency must publish notice of the commission's objection as soon as possible in the state register. If the commission does not withdraw its objection and if the agency adopts the rule, existence of the objection shall be indicated adjacent to any rule published in Minnesota Rules.*

(4) *After the commission files an objection that is not subsequently withdrawn, the burden is upon the agency, in any proceeding for judicial review or for enforcement of the rule, to establish that the whole or portion of the rule objected to is procedurally and substantively valid.*

(5) *The failure of the commission to object to a rule is not an implied legislative authorization of its procedural or substantive validity.*

Sec. 4. [14.117] [RULEMAKING ANALYSIS.]

(a) *An agency shall issue a rulemaking analysis of a proposed rule if, within 20 days after the notice of proposed rule adoption under section 14.14, subdivision 1a, or 14.22 is published, a written request for the analysis is filed with the agency by the commission to review administrative rulemaking or the governor.*

(b) *Except to the extent that the written request expressly waives one or more of the following, the rulemaking analysis must contain:*

(1) a description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule, and classes that will benefit from the proposed rule;

(2) a description of the probable quantitative and qualitative impact of the proposed rule, economic and otherwise, upon affected classes of persons;

(3) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues;

(4) a comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction;

(5) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule;

(6) a description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule; and

(7) a description of how the proposed rule is different from any federal laws regulating the same activity, and why it is necessary and reasonable to have different state rules.

(c) Each rulemaking analysis must include quantification of the data to the extent practicable and must take account of both short-term and long-term consequences.

(d) A concise summary of the rulemaking analysis must be published in the state register and an agency may not proceed with a proposed rulemaking until at least 20 days after publication in the state register.

(e) The published summary of the rulemaking analysis must indicate where persons may obtain copies of the full text of the analysis and where, when, and how persons may present their views on the proposed rule and make a written request for a public hearing.

(f) If the agency has made a good faith effort to comply with the requirements of clauses (a) to (c), the rule may not be invalidated on the grounds that the contents of the rulemaking analysis are insufficient or inaccurate.

Sec. 5. [14.121] [SUSPENSION OF PROCEDURES.]

When compliance with the rulemaking provisions of the administrative procedure act would result in a denial of funds or

services from the United States government that would otherwise be available to the state, upon written request of an agency, the attorney general, by order, may suspend one or more of the rulemaking provisions of the administrative procedure act. The written request must contain a full explanation of the grounds for the request, and a copy of the request must be sent to persons who have requested to be notified of agency rulemaking actions under section 14.14, subdivision 1a, at the time the request is provided to the attorney general. An order must suspend the minimum number of portions of the administrative procedure act for the minimum time necessary to avoid a denial of federal funds or services. The attorney general must issue an order terminating the suspension as soon as the suspension is no longer necessary to prevent the loss of funds or services from the United States government. The issuance of an order under this section is not subject to chapter 14, except as specifically provided in this section.

Before issuing an order suspending provisions of the administrative procedure act, the attorney general must notify the legislative commission to review administrative rulemaking. The notification must include a list of the rulemaking provision that the attorney general intends to suspend and any comments received from members of the public. If any of the rulemaking provisions of the administrative procedure act are suspended under this section, the attorney general shall promptly publish the order of suspension in the state register and report the suspension to the legislative commission to review administrative rules. Notwithstanding any suspension of portions of the rulemaking provisions of the administrative procedure act under this section, an agency must submit proposed rules to the legislative commission to review administrative rulemaking at least five working days before it begins the process of adopting the rules and the commission may object to the rules under section 3.

Any suspension issued under this section shall apply only to the agency requesting the suspension and only to the rules required to be adopted, amended, suspended, or repealed. An agency that receives a suspension order or an order terminating a suspension from the attorney general must immediately publish notice of the suspended or reinstated portions of the administrative procedure act in the state register and give immediate notice to all persons whose names are registered with the agency to receive rulemaking notices.

Sec. 6. Minnesota Statutes 1984, section 14.29, subdivision 1, is amended to read:

Subdivision 1. (WHEN) *An agency shall adopt emergency rules in accordance with sections 14.29 to 14.36 if: (1) an agency is directed by statute, federal law or court order to adopt, amend, suspend or repeal a rule in a manner that does not allow for compliance with sections 14.14 to 14.28 (,); or (IF) (2) an*

agency is expressly required or authorized by statute to adopt emergency rules (, THE AGENCY SHALL ADOPT EMERGENCY RULES IN ACCORDANCE WITH SECTIONS 14.29 TO 14.36).

Sec. 7. Minnesota Statutes 1984, section 14.29, subdivision 2, is amended to read:

Subd. 2. (UNLESS AN AGENCY IS DIRECTED BY FEDERAL LAW OR COURT ORDER TO ADOPT, AMEND, SUSPEND, OR REPEAL A RULE IN A MANNER THAT DOES NOT ALLOW FOR COMPLIANCE WITH SECTIONS 14.14 TO 14.28, NO) *If an agency is expressly required or authorized by statute to adopt emergency rules under subdivision 1, clause (2), the agency may not adopt an emergency rule later than 180 days after the effective date of the statutory authority, except as provided in subdivision 3. If emergency rules are not adopted within the time allowed, the authority for the rules expires. The time limit of this section does not include any days used for review by the attorney general. If the 180-day period expires while the attorney general is reviewing the rule and the attorney general disapproves the rule, the agency may resubmit the rule to the attorney general after taking corrective action. The resubmission must occur within five working days after the agency receives written notice of disapproval. If the rule is again disapproved by the attorney general, it is withdrawn.*

Sec. 8. Minnesota Statutes 1984, section 14.39, is amended to read:

14.39 [LEGISLATIVE COMMISSION TO REVIEW ADMINISTRATIVE (RULES) RULEMAKING; COMPOSITION; MEETINGS.]

A legislative commission (FOR REVIEW OF ADMINISTRATIVE RULES, CONSISTING OF FIVE SENATORS APPOINTED BY THE COMMITTEE ON COMMITTEES OF THE SENATE AND FIVE REPRESENTATIVES APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES) *to review administrative rulemaking shall be appointed. The commission consists of the chair of the house rules and legislative administration committee or the chair's designee, the chair of the house governmental operations committee or the chair's designee, a member of the house minority caucus appointed by the house minority leader, the chair of the senate rules and legislative administration committee or the chair's designee, the chair of the senate governmental operations committee or the chair's designee, a member of the minority caucus appointed by the senate minority leader, two members of the house appointed by the speaker, and two members of the senate appointed by the committee on committees. The commission shall meet at the call of its chairman or upon a call signed by two of its members or signed*

by five members of the legislature. The legislative commission chairmanship shall alternate between the two houses of the legislature every two years.

Sec. 9. Minnesota Statutes 1985 Supplement, section 14.40, is amended to read:

14.40 [REVIEW OF RULES BY COMMISSION.]

Subdivision 1. [PURPOSES.] The commission shall promote adequate and proper rules by agencies and an understanding upon the part of the public respecting them.

Subd. 2. [REVIEW OF ADOPTED RULES.] The jurisdiction of the commission includes all rules as defined in section 14.02, subdivision 4. The commission also has jurisdiction of rules which are filed with the secretary of state in accordance with section 14.38, subdivisions 5, 6, 7, 8, 9, and 11 or were filed with the secretary of state in accordance with the provisions of section 14.38, subdivisions 5 to 9, which were in effect on the date the rules were filed. It may hold public hearings to investigate complaints with respect to rules if it considers the complaints meritorious and worthy of attention. If the rules that are the subject of the public hearing were adopted without a rulemaking hearing, it may request the office of administrative hearings to hold the public hearing and prepare a report summarizing the testimony received at the hearing. The office of administrative hearings shall assess the costs of the public hearing to the agency whose rules are the subject of the hearing.

Subd. 3. [SUSPENSION OF ADOPTED RULES.] The commission may, on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of section 14.42 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session, the rule is effective upon adjournment of the session unless the agency has repealed it. If the bill is enacted, the rule is repealed.

Subd. 4. [REVIEW OF PROPOSED RULEMAKING ACTION.] The commission shall review agency rulemaking programs under section 2. The commission shall review proposed rules as specified in section 3.

Subd. 5. [OTHER ACTION.] The commission has jurisdiction to hear complaints alleging that an agency was required to, but did not, comply with rulemaking procedures before taking an action. The commission may hold public hearings to investigate these complaints. The commission may object to an agency action on the ground that the agency was required to, but did not, comply with rulemaking procedures before taking an action.

The commission must file any objection with the agency taking the action. An agency must submit notice of the objection to the state register within 20 days of receiving the objection from the commission. The agency must respond in writing to the commission concerning the objection. The commission may withdraw or modify its objection. If an objection is withdrawn or modified, the commission shall file notice of this with the agency. The agency must submit notice of the withdrawal or modification to the state register within 20 days of receiving notice.

When the commission files an objection that is not withdrawn, the burden is on the agency in any proceeding for judicial review of the action to establish that the action can lawfully be taken without complying with rulemaking procedures. A court shall award reasonable attorney fees to a prevailing party for that portion of a lawsuit in which the court determines that an agency was required to, but did not, comply with rulemaking procedures before taking an action.

Subd. 6. [RECOMMENDED LEGISLATION.] The commission may recommend enactment of a statute to improve the operation of an agency. The commission may also recommend that a rule be repealed in whole or in part by statute. The commission shall request the speaker of the house and the majority leader of the senate to refer these recommendations to the appropriate standing committees for their consideration.

Subd. 7. [REPORT.] The commission shall make a biennial report to the legislature and governor of its activities and include its recommendations to promote adequate and proper rules and public understanding of the rules.

Subd. 8. [STAFF ASSISTANCE.] At the request of the commission, other legislative staff shall assist the commission in carrying out its duties.

Sec. 10. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Sections 2 to 5, 8 and 9 are effective January 1, 1987, and apply to rulemaking proceedings commenced after that date. Rulemaking planning programs required by section 2 must be submitted January 1, 1987."

Delete the title and insert:

"A bill for an act relating to administrative procedures; providing increased legislative oversight of administrative rulemaking; defining a rule; providing for exceptions to the rulemaking provisions of the administrative procedure act; clarifying provisions relating to emergency rules; amending Minnesota Statutes 1984, sections 14.29, subdivisions 1 and 2; 14.39; Minne-

sota Statutes 1985 Supplement, sections 14.02, subdivision 4; 14.40; proposing coding for new law in Minnesota Statutes, chapter 14.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1652, A bill for an act relating to natural resources; recodifying laws governing wild animals in general, the taking and possession of game and fish, and the management of natural resources; providing penalties; amending Minnesota Statutes 1984, sections 9.071; 14.02, subdivision 4; 14.38, subdivision 6; 18.021, subdivision 3; 84.0274, subdivision 6; 84.88, subdivision 2; 84.89; 84A.02; 85.018, subdivision 8; 86A.06; 97.42; 98.45, subdivision 1; 105.391, subdivisions 3 and 12; 105.417, subdivision 4; 105.74; 111.81, subdivision 1; 343.21, subdivision 8; 343.-30; 347.011; 352B.01, subdivision 2; 361.25; 383C.13; 477A.12; 477A.13; 609.661; 624.719; proposing coding for new law in Minnesota Statutes, chapters 84; 97A; 97B; 97C; 347; 609; and 624; repealing Minnesota Statutes 1984, sections 97.40; 97.41; 97.43 to 97.47; 97.48, subdivisions 1 to 17 and 19 to 28; 97.481 to 97.487; 97.49 to 97.54; 97.55, subdivisions 1 to 6 and 8 to 16; 98.45, subdivisions 2, 3, and 5 to 8; 98.455 to 98.457; 98.46, subdivisions 1 to 2b, 4 to 17, and 19 to 26; 98.465 to 98.47; 98.48, subdivisions 1 to 8 and 10 to 16; 99.25; and 99.26 to 99.29; and chapters 100; 101; and 102.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1

CHAPTER 97A

GAME AND FISH LAWS

GENERAL PROVISIONS

Section 1. [97A.011] [CITATION.]

Chapters 97A, 97B, and 97C may be cited as the “game and fish laws.”

Sec. 2. [97A.015] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The terms defined in this section apply to chapters 97A, 97B, and 97C. [97.40 s. 1]

Subd. 2. [ANGLING.] "*Angling*" means taking fish with a hook and line. An "*angler*" is a person who takes fish by angling. [97.40 s. 32]

Subd. 3. [BIG GAME.] "*Big game*" means deer, moose, elk, bear, antelope, and caribou. [97.40 s. 8]

Subd. 4. [BUY.] "*Buy*" includes barter, exchange for consideration, offer to buy, or attempt to buy. [97.40 s. 19]

Subd. 5. [CAMP.] "*Camp*" means the temporary abode of a hunter, fisherman, trapper, tourist or vacationist while on a trip or tour including resorts, tourist camps, and other establishments providing temporary lodging. [97.40 s. 30]

Subd. 6. [CHUB.] "*Chub*" means shortnose cisco, shortjaw cisco, longjaw cisco, bloater, kiyi, blackfin cisco, and deepwater cisco.

Subd. 7. [CISCO.] "*Cisco*" means *Coregonus artedii* and includes lake herring and tullibee.

Subd. 8. [CLOSED SEASON.] "*Closed season*" means the period when a specified protected wild animal may not be taken. [97.40 s. 14]

Subd. 9. [COMMERCIAL FISHING.] "*Commercial fishing*" means taking fish, except minnows, for sale. [97.40 s. 33]

Subd. 10. [COMMISSIONER.] "*Commissioner*" means the commissioner of natural resources. [97.40 s. 2]

Subd. 11. [CONDEMNATION.] "*Condemnation*" means the exercise of the right of eminent domain in the manner provided under chapter 117.

Subd. 12. [CONTRABAND.] "*Contraband*" means a wild animal taken, bought, sold, transported, or possessed in violation of the game and fish laws, and all instrumentalities and devices used in taking wild animals in violation of the game and fish laws that are subject to confiscation. [97.40 s. 24]

Subd. 13. [CONVICTION.] "*Conviction*" means: (1) a final conviction after a trial or a plea of guilty; (2) a forfeiture of cash or collateral deposited to guarantee an appearance of a defendant in court, if the forfeiture has not been vacated or the court has not reinstated the trial within 15 days after the forfeiture; or (3) a breach of a condition of release without bail. [97.40 s. 35]

Subd. 14. [DARK HOUSE.] "Dark house" means a structure set on the ice of state waters that is darkened to view fish in the water beneath the structure. [97.40 s. 23]

Subd. 15. [DESIGNATED TROUT LAKE; DESIGNATED TROUT STREAM.] "Designated trout lake or designated trout stream" means a lake or stream designated by the commissioner as a trout lake or a trout stream under article 3, section 1.

Subd. 16. [DIRECTOR.] "Director" means the director of the division of fish and wildlife. [97.40 s. 4]

Subd. 17. [DIVISION.] "Division" means the division of fish and wildlife of the department of natural resources. [97.40 s. 3]

Subd. 18. [ENFORCEMENT OFFICER.] "Enforcement officer" means the commissioner, the director, a conservation officer, or a game refuge manager. [97.48]

Subd. 19. [FIREARM.] "Firearm" means a gun that discharges shot or a projectile by means of an explosive, a gas, or compressed air. [97.40 s. 34]

Subd. 20. [FIREARMS SAFETY CERTIFICATE.] "Firearms safety certificate" means the certificate issued under article 2, section 4.

Subd. 21. [FISH HOUSE.] "Fish house" means a structure set on the ice of state waters to provide shelter while taking fish by angling.

Subd. 22. [FUR-BEARING ANIMALS.] "Fur-bearing animals" means mammals that are protected wild animals, except big game. [97.40 s. 7]

Subd. 23. [GAME.] "Game" means big game and small game.

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

Subd. 25. [GAME FISH.] "Game fish" means walleye, sauger, yellow perch, channel catfish, flathead catfish; members of the pike family, Esocidae, including muskellunge and northern pike; members of the sunfish family, Centrarchidae, including largemouth bass, smallmouth bass, sunfish, rock bass, white crappie, black crappie, members of the temperate bass family,

Percichthyidae, including white bass and yellow bass; members of the salmon and trout subfamily, *Salmoninae*, including atlantic salmon, chinook salmon, coho salmon, pink salmon, kokanee salmon, lake trout, brook trout, rainbow (steelhead) trout, and splake; members of the paddlefish family, *Polyodontidae*; members of the sturgeon family, *Acipenseridae*, including lake sturgeon, and shovelnose sturgeon. "Game fish" includes hybrids of game fish.

Subd. 26. [HUNTING.] "Hunting" means taking birds or mammals. [97.40 s. 31]

Subd. 27. [LICENSE.] "License" means a license or stamp issued under the game and fish laws.

Subd. 28. [MIGRATORY WATERFOWL.] "Migratory waterfowl" means brant, ducks, geese, and swans. [97.4841 s. 1]

Subd. 29. [MINNOWS.] "Minnows" means: (1) members of the minnow family, *Cyprinidae*, except carp and goldfish; (2) members of the mudminnow family, *Umbridae*; (3) members of the sucker family, *Catostomidae*, not over 12 inches in length; (4) bullheads, ciscoes, lake whitefish, goldeyes, and mooneyes, not over seven inches long; and (5) leeches. [97.40 s. 12]

Subd. 30. [MINNOW DEALER.] "Minnow dealer" means a person taking minnows for sale, buying minnows for resale, selling minnows at wholesale, or transporting minnows for sale. [97.40 s. 27]

Subd. 31. [MINNOW RETAILER.] "Minnow retailer" means a person selling minnows at retail from an established place of business. [97.40 s. 27]

Subd. 32. [MOTOR VEHICLE.] "Motor vehicle" means a self-propelled vehicle or a vehicle propelled or drawn by a self-propelled vehicle that is operated on a highway, on a railroad track, on the ground, in the water, or in the air. [97.40 s. 29]

Subd. 33. [NONRESIDENT.] "Nonresident" means a person who is not a resident.

Subd. 34. [OPEN SEASON.] "Open season" means the period when a specified protected wild animal may be taken. [97.40 s. 13]

Subd. 35. [PERSON.] "Person" means only an individual if used in reference to issuing licenses to take wild animals, but otherwise means an individual, firm, partnership, joint stock company, association, or public or private corporation. [97.40 s. 20]

Subd. 36. [POSSESSION.] "Possession" means both actual and constructive possession and control of the things referred to. [97.40 s. 16]

Subd. 37. [PREDATOR.] "Predator" means a timber wolf, coyote, fox, lynx, or bobcat. [97.487 s. 2]

Subd. 38. [PROTECTED BIRDS.] "Protected birds" means all birds except unprotected birds.

Subd. 39. [PROTECTED WILD ANIMALS.] "Protected wild animals" are the following wild animals: big game, small game, game fish, rough fish, minnows, leeches, alewives, ciscoes, chubs, and lake whitefish, and the subfamily Coregoninae, rainbow smelt, frogs, turtles, clams, mussels, timber wolf, mourning doves, and wild animals that are protected by a restriction in the time or manner of taking, other than a restriction in the use of artificial lights, poison, or motor vehicles. [97.40 s. 6]

Subd. 40. [PUBLIC ACCESS.] "Public access" means an access that is owned by the state or a political subdivision and accessible to the public without charge.

Subd. 41. [PUBLIC WATERS.] "Public waters" means waters defined in section 105.37, subdivision 14.

Subd. 42. [RESIDENT.] "Resident" means: (1) an individual who is a citizen of the United States or a resident alien, and has maintained a legal residence in the state at least the immediately preceding 60 days; (2) a nonresident under the age of 21 who is the child of a resident; (3) a domestic corporation; or (4) a foreign corporation authorized to do business in the state that has conducted a licensed business at a location within the state for at least ten years. [97.40 s. 21; 98.45 s. 6]

Subd. 43. [ROUGH FISH.] "Rough fish" means carp, buffalo, sucker, sheepshead, bowfin, burbot, ciscoe, gar, goldeye, and bullhead. [97.40 s. 11]

Subd. 44. [SALE.] "Sale" means an exchange for consideration, and includes barter, offer to sell, and possession with intent to sell. [97.40 s. 18]

Subd. 45. [SMALL GAME.] "Small game" means game birds, gray squirrel, fox squirrel, cottontail rabbit, snowshoe hare, jack rabbit, raccoon, lynx, bobcat, fox, fisher, pine marten, opossum, badger, cougar, wolverine, muskrat, mink, otter, and beaver.

Subd. 46. [SUNFISH.] "Sunfish" means bluegill, pumpkinseed, green sunfish, orange spotted sunfish, longear sunfish, and warmouth. "Sunfish" includes hybrids of sunfish.

Subd. 47. [TAKING.] "Taking" means pursuing, shooting, killing, capturing, trapping, snaring, angling, spearing, or netting wild animals, or placing, setting, drawing, or using a net, trap, or other device to take wild animals. Taking includes attempting to take wild animals, and assisting another person in taking wild animals. [97.40 s. 15]

Subd. 48. [TRANSPORT, TRANSPORTATION.] "Transport, transportation" means causing or attempting to cause wild animals to be carried or moved by a device and includes accepting or receiving wild animals for transportation or shipment. [97.40 s. 17]

Subd. 49. [UNDRESSED BIRD.] "Undressed bird" means:

(1) a bird, excluding migratory waterfowl, with feet and feathered head intact; or

(2) a migratory waterfowl with a fully feathered wing attached. [97.40 s. 25]

Subd. 50. [UNDRESSED FISH.] "Undressed fish" means fish with heads, tails, fins and skins intact, whether entrails, gills, or scales are removed or not. [97.40 s. 26]

Subd. 51. [UNLOADED.] "Unloaded" means, with reference to a firearm, without ammunition in the barrels and magazine. A muzzle loading firearm with a flintlock ignition is unloaded if it does not have priming powder in a pan. A muzzle loading firearm with percussion ignition is unloaded if it does not have a percussion cap on a nipple. [100.29 s. 5]

Subd. 52. [UNPROTECTED BIRDS.] "Unprotected birds" means English sparrow, blackbird, crow, starling, magpie, cor-morant, common pigeon, and great horned owl. [100.26 s. 2]

Subd. 53. [UNPROTECTED WILD ANIMALS.] "Unprotected wild animals" means wild animals that are not protected wild animals including weasel, coyote (brush wolf), gopher, porcupine, skunk, and civet cat, and unprotected birds. [100.26 s. 1, 2]

Subd. 54. [WATERS OF THIS STATE, STATE WATERS.] "Waters of this state, state waters" includes all boundary and inland waters. [97.40 s. 22]

Subd. 55. [WILD ANIMALS.] "Wild animals" means all living creatures, not human, wild by nature, endowed with sensation and power of voluntary motion, and includes mammals, birds, fish, amphibians, reptiles, crustaceans, and mollusks. [97.40 s. 5]

Sec. 3. [97A.021] [CONSTRUCTION.]

Subdivision 1. [CODE OF CRIMINAL PROCEDURE.] A provision of the game and fish laws that is inconsistent with the code of criminal procedure or of penal law is only effective under the game and fish laws. [97.41 s. 1]

Subd. 2. [AUTHORITY OF COMMISSIONER.] A provision of the game and fish laws is subject to, and does not change or modify the authority of the commissioner to delegate powers, duties, and functions under sections 84.083 and 84.088. [97.41 s. 2]

Subd. 3. [PARTS OF WILD ANIMALS.] A provision relating to a wild animal applies in the same manner to a part of the wild animal. [97.40 s. 10]

Subd. 4. [DATES AND OPEN SEASONS.] The dates specified in the game and fish laws and time periods prescribed for certain activities or as open season are inclusive, unless otherwise specified. [97.40 s. 28]

Sec. 4. [97A.025] [OWNERSHIP OF WILD ANIMALS.]

The ownership of wild animals of the state, is in the state, in its sovereign capacity for the benefit of all the people of the state. A person may not acquire a property right in wild animals, or destroy them, unless authorized under the game and fish laws or sections 84.09 to 84.15. [97.42]

Sec. 5. [97A.031] [WANTON WASTE.]

Unless expressly allowed, a person may not wantonly waste or destroy a usable part of a protected wild animal. [97.47]

Sec. 6. [97A.035] [REMOVAL OF SIGNS PROHIBITED.]

A person may not remove or deface a department of natural resources sign, without approval of the commissioner. [99.26 s. 3]

Sec. 7. [97A.041] [EXHIBITION OF WILDLIFE.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "wildlife" means any wild mammal, wild bird, reptile, or amphibian. [97.611 s. 1]

Subd. 2. [POSSESSION.] A person connected with a commercial enterprise may not possess wildlife in captivity for public exhibition purposes, except under permit as provided in this section. [97.611 s. 2]

Subd. 3. [PERMIT.] The commissioner may issue a permit to possess wildlife for public exhibition to an applicant qualified by education or experience in the care and treatment of wildlife. The permit fee is \$10. The commissioner may prescribe terms and conditions of the permit. A permit issued under this section shall include a condition that allows an enforcement officer to enter and inspect the facilities where the wildlife covered by the permit are held in captivity. [97.611 s. 2, 3]

Subd. 4. [PERMIT APPLICATION.] An application for a permit must include:

(1) a statement regarding the education or experience in the care and treatment of wildlife of the applicant and each individual employed by the applicant for that purpose;

(2) a description of the facilities used to keep the wildlife in captivity;

(3) a statement of the number of species or subspecies of wildlife to be covered by the permit and a statement describing where and from whom the wildlife was acquired;

(4) a signed agreement that the standards prescribed by the commissioner will be followed; and

(5) other information requested by the commissioner. [97.-611 s. 2]

Subd. 5. [CARE AND TREATMENT.] The commissioner shall adopt, under chapter 14, reasonable standards for the care and treatment of captive wildlife for public display purposes, including standards of sanitation. [97.611 s. 2]

Subd. 6. [VIOLATION OF POSSESSION STANDARDS.] If a violation is found during an inspection, the commissioner shall give the permittee notice to abate the violation within an adequate time determined by the commissioner. If the violation has not been abated when the time expires, the commissioner may request the attorney general to bring an action to abate the violation. [97.611 s. 4]

Subd. 7. [EXEMPTION FOR ZOOS, CIRCUSES, PET SHOPS.] This section does not apply to a publicly owned zoo or wildlife exhibit, privately owned traveling zoo or circus, or a pet shop. [97.611 s. 5]

Sec. 8. [97A.045] [COMMISSIONER, GENERAL POWERS AND DUTIES.]

Subdivision 1. [DUTIES; GENERALLY.] The commissioner shall do all things the commissioner determines are neces-

sary to preserve, protect, and propagate desirable species of wild animals. The commissioner shall make special provisions for the management of fish and wildlife to insure recreational opportunities for anglers and hunters. The commissioner shall acquire wild animals for breeding or stocking and may dispose of or destroy undesirable or predatory wild animals. [97.48 s. 8, 9, 10]

Subd. 2. [POWER TO PROTECT WILD ANIMALS BY SEASONS AND LIMITS.] The commissioner may protect a species of wild animal in addition to the protection provided by the game and fish laws, by further limiting or closing seasons or areas of the state, or by reducing limits in areas of the state, if the commissioner determines the action is necessary to prevent unnecessary depletion or extinction, or to promote the propagation and reproduction of the animal. [97.48 s. 1]

Subd. 3. [POWER TO MODIFY DATES OF SEASONS.] If the statutory opening date of a season for taking protected wild animals, except a season prescribed under federal regulations, is not on a Saturday, the commissioner may designate the nearest Saturday to the statutory date as the opening day of the season. If the statutory closing date falls on a Saturday, the commissioner may extend it through the following day. [97.48 s. 23]

Subd. 4. [BOUNDARY WATERS.] The commissioner may regulate the taking, possession, and transportation of wild animals from state and international boundary waters. The regulations may include restrictions on the limits of fish that may be taken, possessed, or transported from international boundary waters by a person possessing both a Minnesota angling license and an angling license from an adjacent Canadian province. [97.48 s. 3]

Subd. 5. [POWER TO PRESCRIBE THE FORM OF PERMITS AND LICENSES.] The commissioner may prescribe the form of permits, licenses, and tags issued under the game and fish laws. [97.4841 s. 2; 97.4842 s. 1; 97.4843 s. 2; 98.48 s. 14]

Subd. 6. [DUTY TO DISSEMINATE INFORMATION.] The commissioner shall collect, compile, publish, and disseminate statistics, bulletins, and information related to conservation. [97.48 s. 19]

Subd. 7. [DUTY TO ENCOURAGE STAMP PURCHASES.] The commissioner shall encourage the purchase of:

(1) Minnesota migratory waterfowl stamps by nonhunters interested in the migratory waterfowl preservation and habitat development; [97.4841 s. 2]

(2) pheasant stamps by persons interested in pheasant habitat improvement; and [97.4843 s. 2]

(3) *trout and salmon stamps by persons interested in trout and salmon stream and lake improvement.* [97.4842 s. 1]

Subd. 8. [HUNTING AND FISHING LICENSE RECI- PROCIETY WITH WISCONSIN.] The commissioner may enter into an agreement with game and fish licensing authorities in the state of Wisconsin under which Wisconsin residents owning real property in Minnesota are allowed to purchase annual non- resident game and fish licenses at fees required of Minnesota residents, provided Minnesota residents owning real property in Wisconsin are allowed to purchase identical nonresident licenses in Wisconsin upon payment of the Wisconsin resident license fee. The commissioners of natural resources in Minnesota and Wis- consin must agree on joint standards for defining real property ownership. The commissioner shall present the joint standards to the senate agriculture and natural resources and house envi- ronment and natural resources committees. [98.465]

Sec. 9. [97A.051] [PUBLICATION OF ORDERS AND LAWS.]

Subdivision 1. [COMPILATION OF LAWS.] As soon as practicable after each legislative session, the commissioner, under the direction of the attorney general, shall assemble the current laws relating to wild animals and index the laws properly. This compilation shall be printed in pamphlet form of pocket size, and 50 copies distributed to each senator, 25 copies to each represen- tative, and ten copies to each county auditor. Up to 10,000 addi- tional copies may be printed for general distribution. [97.53 s. 1]

Subd. 2. [SUMMARY OF FISH AND GAME LAWS.] The commissioner shall prepare a summary of the hunting and fishing laws and deliver a sufficient supply to county auditors to furnish one copy to each person obtaining a hunting, fishing, or trapping license. At the beginning of the summary, under the heading "Trespass," the commissioner shall summarize the trespass pro- visions under article 2, state that conservation officers and peace officers must enforce the trespass laws, and state the penalties for trespassing. [97.53 s. 1]

Subd. 3. [PUBLICATION OF ORDERS AND RULES.] All orders and rules promulgated by the commissioner or the director that affect matters in more than three counties must be published once in a legal newspaper in Minneapolis, St. Paul, and Duluth. The orders and rules that do not affect more than three counties must be published once in a legal newspaper in each county af- fected. An order or rule is not effective until seven days after the publication. [97.53 s. 2]

Subd. 4. [ORDERS AND RULES HAVE FORCE AND EF- FECT OF LAW.] When the order or rule is executed and pub- lished, it has the force and effect of law. Violation of an order or rule has the same penalty as a violation of the law. [97.53 s. 2]

Sec. 10. [97A.055] [GAME AND FISH FUND.]

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. [97.49 s. 1]

Subd. 2. [RECEIPTS.] The state treasurer shall credit to the game and fish fund all money received under the game and fish laws including receipts from:

- (1) licenses issued;*
- (2) fines and forfeited bail;*
- (3) sales of contraband, wild animals, and other property under the control of the division;*
- (4) fees from advanced education courses for hunters and trappers;*
- (5) reimbursements of expenditures by the division; and*
- (6) contributions to the division. [97.49 s. 1]*

Sec. 11. [97A.061] [PAYMENT IN LIEU OF TAXES.]

Subdivision 1. [APPLICABILITY; AMOUNT.] (a) The commissioner shall annually make a payment from the game and fish fund to each county having public hunting areas and game refuges. This section does not apply to state trust fund land and other state land not purchased for game refuge or public hunting purposes. The payment shall be the greatest of:

(1) 35 percent of the gross receipts from all special use permits and leases of land acquired for public hunting and game refuges;

(2) 50 cents per acre on land purchased actually used for public hunting or game refuges; or

(3) three-fourths of one percent of the appraised value of purchased land actually used for public hunting and game refuges.

(b) the payment must be reduced by the amount paid under subdivision 3 for croplands managed for wild geese. [97.49 s. 7]

(c) The appraised value is the purchase price for five years after acquisition. The appraised value shall be determined by the county assessor every five years after acquisition. [97.49 s. 3]

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 current year. The county's share of the payment shall be deposited in the county general revenue fund. [97.49 s. 3]

(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. [97.49 s. 6]

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 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. [97.49 s. 7]

Sec. 12. [97A.065] [DEDICATION OF CERTAIN RECEIPTS.]

Subdivision 1. [FISH AND TURTLES FROM ROUGH FISH REMOVAL.] *Money received from the sale of fish and turtles taken under rough fish removal operations is continuously available for rough fish removal. [97.49 s. 4]*

Subd. 2. [FINES AND FORFEITED BAIL.] *(a) Fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter 34B, and any other law relating to wild animals, and aquatic vegetation must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one-half of the receipts to the commissioner and credit the balance to the county general revenue fund except as provided in paragraph (b). [97.49 s. 5]*

(b) The commissioner must reimburse a county, from the game and fish fund, for the cost of keeping prisoners prosecuted for violations under this section if the county board, by resolution, directs: (1) the county treasurer to submit all fines and forfeited bail to the commissioner; and (2) the county auditor to certify and submit monthly itemized statements to the commissioner. [97.49 s. 5]

Subd. 3. [FISHING LICENSE SURCHARGE.] *(a) The commissioner may use the revenue from the fishing license surcharge for:*

(1) *rehabilitation and improvement of marginal fish producing waters, administered on a cost-sharing basis, under agreements between the commissioner and other parties interested in sport fishing;*

(2) *expansion of fishing programs including aeration, stocking of marginal fishing waters in urban areas, shore fishing areas, and fishing piers, with preference given to local units of government and other parties sharing costs;*

(3) *upgrading of fish propagation capabilities to improve the efficiency of fish production, expansion of walleye production by removal from waters subject to winter kill for stocking in more suitable waters, introduction of new biologically appropriate species, and purchase of fish from private hatcheries for stocking;*

(4) *financing the preservation and improvement of fish habitat, with priority given to expansion of habitat improvement programs implemented with other interested parties;*

(5) *increasing enforcement with covert operations, work-teams, and added surveillance, communication, and navigational equipment; and*

(6) *purchase of the walleye quota of commercial fishing operators under article 3, section 65, subdivision 9.*

(b) *Not more than ten percent of the money available under this subdivision may be used for administrative and permanent personnel costs. [97.86 s. 1]*

(c) *The commissioner shall prepare an annual work plan for the use of the revenue and provide copies of the plan, and amendments, to the house environment and natural resources committee, senate agriculture and natural resources committee, and other interested parties. The committees must review issues and trends in the management and improvement of fishing resources using information obtained by and presented to the committees by public and private agencies and organizations and other parties interested in management and improvement of fishing resources. [97.86 s. 2]*

Sec. 13. [97A.071] [WILDLIFE ACQUISITION ACCOUNT.]

Subdivision 1. [ACCOUNT ESTABLISHED.] The wildlife acquisition account is established as an account in the game and fish fund. [97.483]

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 of wildlife lands under section 28, in accordance with appropriations made by the legislature. [97-483]

Subd. 3. [USE OF WILDLIFE ACQUISITION ACCOUNT MONEY.] The wildlife acquisition account may be used for developing, preserving, restoring, and maintaining waterfowl breeding grounds in Canada under agreement or contract with any nonprofit organization dedicated to the construction, maintenance, and repair of projects that are acceptable to the governmental agency having jurisdiction over the land and water affected by the projects. The commissioner may execute agreements and contracts if the commissioner determines that the use of the funds will benefit the migration of waterfowl into the state. [97.482 s. 2]

Subd. 4. [ASSESSMENTS TO BE PAID FROM FUND.] An assessment against the state under sections 106A.015, subdivision 2, 106A.025, or 106A.615 on lands acquired for wildlife habitat shall be paid from the wildlife acquisition account. [97-484]

Sec. 14. [97A.075] [USE OF LICENSE REVENUES.]

Subdivision 1. [DEER AND BEAR LICENSES.] (a) For purposes of this subdivision, "deer license" means a license issued under section 68, subdivision 2, clauses (4) and (5) and subdivision 3, clauses (2) and (3).

(b) At least \$2 from each deer license shall be used for deer habitat improvement. 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. [97.49 s. 1a, 1b]

Subd. 2. [MINNESOTA MIGRATORY WATERFOWL STAMP.] The commissioner may use the revenue from the Minnesota migratory waterfowl stamps for:

(1) development of wetlands in the state and designated waterfowl management lakes for maximum migratory waterfowl production including the construction of dikes, water control structures and impoundments, nest cover, rough fish barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the creation of migratory waterfowl management lakes;

(2) protection and propagation of migratory waterfowl;

(3) development, restoration, maintenance, or preservation of migratory waterfowl habitat;

(4) *acquisition of and access to structure sites; and*

(5) *necessary related administrative costs not to exceed ten percent of the annual revenue. [97.4841 s. 1, 4]*

Subd. 3. [TROUT AND SALMON STAMP.] The commissioner may use the revenue from trout and salmon stamps for:

(1) *the development, restoration, maintenance, and preservation of trout streams and lakes;*

(2) *rearing and stocking of trout and salmon in trout streams and lakes and Lake Superior; and*

(3) *necessary related administrative costs not to exceed ten percent of the annual revenue. [97.4842 s. 3]*

Subd. 4. [PHEASANT STAMP.] The commissioner may use the revenue from pheasant stamps for:

(1) *the development, restoration, maintenance, and preservation of suitable habitat for ringnecked pheasants on public and private land including the establishment of nesting cover, winter cover, and reliable food sources;*

(2) *reimbursement of landowners for setting aside lands for pheasant habitat;*

(3) *reimbursement of expenditures to provide pheasant habitat on public and private land;*

(4) *the promotion of pheasant habitat development, maintenance, and preservation; and*

(5) *necessary related administrative and personnel costs not to exceed ten percent of the annual revenue. [97.4843 s. 1(c), 4]*

Sec. 15. [97A.081] [POSTING LAND.]

The commissioner may post land acquired for public hunting grounds, food and cover planting areas, game refuges, wildlife lands, and conservation area lands so as to identify and indicate the management purpose. [97.48 s. 25]

Sec. 16. [97A.085] [GAME REFUGES.]

Subdivision 1. [STATE PARKS.] All state parks are designated as game refuges. [99.25 s. 1]

Subd. 2. [ESTABLISHMENT BY COMMISSIONER'S ORDER.] The commissioner may designate, by order, a contig-

uous area of at least 640 acres as a game refuge if more than 50 percent of the area is in public ownership. [99.25 s. 2, 5]

Subd. 3. [ESTABLISHMENT BY PETITION OF LAND HOLDERS.] *The commissioner may designate by order land area described in a petition as a game refuge. The petition must be signed by the owner, the lessee, or the person in possession of each tract in the area. A certificate of the auditor of the county where the lands are located must accompany the petition stating that the persons named in the petition are the owners, lessees, or persons in possession of all of the land described according to the county records. The game refuge must be a contiguous area of at least 640 acres unless it borders or includes a marsh, or other body of water or watercourse suitable for wildlife habitat. [99.25 s. 3, 5]*

Subd. 4. [ESTABLISHMENT BY PETITION OF COUNTY RESIDENTS.] *The commissioner may, by order, designate as a game refuge a contiguous area of at least 640 acres, described in a petition, signed by 50 or more residents of the county where the area is located. Before designation, the commissioner must hold a public hearing on the petition. The notices of the time and place of the hearing must be posted in five of the most conspicuous places within the proposed game refuge at least 15 days before the hearing. A notice of the hearing must be published in a legal newspaper in each county where the area is located at least seven days before the hearing. The game refuge may be designated only if the commissioner finds that protected wild animals are depleted and are in danger of extermination, or that it will best serve the public interest. [99.25 s. 4, 5, 6]*

Subd. 5. [SPECIES REFUGE FOR SPECIFIED GAME.] *The commissioner may, by order, designate a species refuge for only specified species. The game refuge must be posted accordingly. [99.25 s. 6a, 7]*

Subd. 6. [AREA INCLUDED IN GAME REFUGE.] *A state game refuge includes all public lands, waters, highways, and railroad right-of-way within the refuge boundary and, in the discretion of the commissioner, may include adjacent public lands and waters. [99.25 s. 6]*

Subd. 7. [GAME REFUGE BOUNDARY POSTING.] (a) *The designation of a state game refuge is not effective until the boundary has been posted with notices that measure at least 12 inches. The notices posted on state park boundaries must have black letters on a yellow background stating that the area is a state park. The notices on other game refuges must have black letters on a white background stating that the area is a state game refuge.*

(b) *The notices must be posted at intervals of not more than 500 feet or less along the boundary. The notices must also be*

posted at all public road entrances to the refuges, except where the boundary is also an international or state boundary in public waters. Where the boundary of a refuge extends more than 500 feet continuously through a body of water, instead of placing notices in the water, notices with the words, "Adjacent Waters Included," may be placed on the shoreline at the intersection of the boundary and the water 20 feet or less above the high water mark and at intervals of 500 feet or less along the shoreline.

(c) A certification by the commissioner or the director, or a certification filed with the commissioner or director by a conservation officer, refuge supervisor, or other authorized officer or employee, stating that the required notices have been posted is prima facie evidence of the posting. [99.25 s. 7]

Subd. 8. [MODIFICATION OR ABANDONMENT.] A state game refuge may be vacated or modified by order of the commissioner. The commissioner may not vacate or modify boundaries of a state game refuge established under subdivision 4 until the requirements of a petition, notice, and hearing have been complied with to vacate or modify the boundaries. [99.25 s. 8]

Sec. 17. [97A.091] [HUNTING ON GAME REFUGES.]

Subdivision 1. [HUNTING AND POSSESSION OF FIREARMS.] Except as provided in subdivision 2, a person may not take a wild animal, except fish, within a state game refuge. A person may not carry a firearm within a refuge unless the firearm is unloaded and contained in a case, or unloaded and broken down. [99.26 s. 1]

Subd. 2. [WHEN HUNTING ALLOWED.] (a) The commissioner may allow hunting of a protected wild animal species within any portion of a state game refuge, including a state park, during the next regular open season. Hunting in a refuge may only be allowed if the commissioner finds:

(1) the population of the species exceeds the refuge's carrying capacity;

(2) the species is causing substantial damage to agricultural or forest crops in the vicinity;

(3) the species or other protected wild animals are threatened by the species population; or

(4) a harvestable surplus of the species exists.

(b) The commissioner may prescribe rules for any hunting allowed within a refuge. [99.26 s. 2]

Subd. 3. [TRAP OR TARGET SHOOTING.] The commissioner may issue special permits, without fee, to the owner or lessee of privately owned land within the boundaries of a state game refuge for trap or target shooting. [98.48 s. 8]

Sec. 18. [97A.095] [WATERFOWL PROTECTED AREAS.]

Subdivision 1. [MIGRATORY WATERFOWL REFUGES.] The commissioner shall designate by order any part of a state game refuge as a migratory waterfowl refuge if there is presented to the commissioner a petition signed by ten resident licensed hunters describing an area that is primarily a migratory waterfowl refuge. The commissioner shall post the area as a migratory waterfowl refuge. A person may not enter a posted migratory waterfowl refuge during the open migratory waterfowl season unless accompanied by a conservation officer or game refuge manager. [99.26 s. 4]

Subd. 2. [WATERFOWL FEEDING AND RESTING AREAS.] The commissioner may, by order designate any part of up to 13 lakes as a migratory feeding and resting area. Before designation, the commissioner must receive a petition signed by at least ten resident licensed hunters describing the area of the lake that is a substantial feeding and resting ground for migratory waterfowl, and find that the statements in the petition are correct, and that adequate, free public access to the lake exists near the designated area. The commissioner shall post the area as a migratory waterfowl feeding and resting area. A person may not enter a posted migratory waterfowl feeding and resting area during the open migratory waterfowl season with watercraft or aircraft propelled by a motor. [99.26 s. 5]

Subd. 3. [HUNTING ON MUSKRAT LAKE.] The commissioner may prohibit migratory waterfowl hunting on Muskrat Lake in Beltrami county by posting accordingly. [99.26 s. 5]

Sec. 19. [97A.101] [PUBLIC WATER RESERVES AND MANAGEMENT DESIGNATION.]

Subdivision 1. [RESERVES.] The commissioner may designate and reserve public waters of the state to propagate and protect wild animals. [97.48 s. 11]

Subd. 2. [MANAGEMENT DESIGNATION.] (a) The commissioner may designate, reserve, and manage public waters for wildlife after giving notice and holding a public hearing. The hearing must be held in the county where the major portion of the waters are located. Notice of the hearing must be published in a legal newspaper within each county where the waters are located at least seven days before the hearing.

(b) The commissioner may contract with riparian owners for water projects under section 105.39, subdivision 5, and may ac-

quire land, accept local funding, and construct, maintain, and operate structures to control water levels under section 105.48 to manage designated waters. [97.48 s. 11]

Subd. 3. [FISHING MAY NOT BE RESTRICTED.] Seasons or methods of taking fish may not be restricted under this section. [97.48 s. 11]

Sec. 20. [97A.105] [GAME AND FUR FARMS.]

Subdivision 1. [LICENSE REQUIREMENTS.] A person may breed and propagate fur-bearing animals, game birds, bear, or deer only on privately owned or leased land and after obtaining a license. "Privately owned or leased land" includes waters that are shallow or marshy, are not actually navigable, and are not of substantial beneficial public use. Before an application for a license is considered, the applicant must enclose the area to sufficiently confine the animals to be raised in a manner approved by the commissioner. A license may be granted only if the commissioner finds the application is made in good faith with intention to actually carry on the business described in the application and the commissioner determines that the facilities are adequate for the business. [99.27 s. 1, 4]

Subd. 2. [TRANSFER OF LICENSE.] (a) A game or fur farm license is transferable with the transfer of all or a portion of the title or leasehold of the land if:

(1) the land transferred complies with the license requirements;

(2) the land is used for the purposes of the license; and

(3) a verified written report of the existing and intended land use is made to the commissioner, accompanied by a copy of deed, assignment, lease, or other instrument transferring the corresponding title or leasehold in the enclosed land.

(b) A transfer of less than the whole interest in the license is not valid. Each bona fide partner or associate in the ownership or operation of a game or fur farm must obtain a separate license. [99.27 s. 3, 4]

Subd. 3. [OWNERSHIP OF WILD ANIMALS.] All wild animals and their offspring, of the species identified in the license, that are within the enclosure are the property of the game and fur farm licensee. [99.27 s. 2]

Subd. 4. [SALE OF LIVE ANIMALS.] A sale of live animals from a licensed fur or game farm is not valid unless the animals are delivered to the purchaser or they are identified and kept separately. The sale agreement or contract must be in writ-

ing. The licensee must notify a purchaser of the death of an animal within 30 days and of the number of increase before July 20 of each year. [99.27 s. 6]

Subd. 5. [SALE OF PELTS.] The commissicner shall prescribe:

(1) the manner that pelts and products of wild animals raised on fur or game farms may be sold or transported; and

(2) the tags or seals to be affixed to the pelts and products. [99.27 s. 7]

Subd. 6. [FOX AND MINK.] Fox and mink may not be bought or sold for breeding or propagating unless they have been pen-bred for at least two generations. [99.27 s. 5]

Subd. 7. [TRANSPORTATION OF LIVE BEAVER.] Live beaver may not be transported without a permit from the commissioner. [99.27 s. 5]

Subd. 8. [PENALTY.] A licensee that does not comply with a provision of this section subjects all wild animals on the game or fur farm to confiscation. [99.27 s. 7]

Sec. 21. [97A.111] [MUSKRAT FARMS.]

Subdivision 1. [APPLICATION FOR A LICENSE.] An owner of suitable land may operate a muskrat farm for breeding, raising, trapping, and dealing in muskrats in accordance with this section. A person may apply for a muskrat farm license by filing with the commissioner a signed statement describing the land, title, and number of acres where the farm is to be located. [99.28 s. 1, 2]

Subd. 2. [ISSUANCE OF LICENSE.] (a) The commissioner shall investigate the application filed and may require the applicant to produce evidence of the facts stated. The commissioner shall issue a muskrat farm license to an applicant if the commissioner determines that:

(1) the applicant is the owner of the land;

(2) the applicant intends to establish and operate a muskrat farm; and

(3) the establishment of a muskrat farm in the proposed area will conserve the natural resources.

(b) The license must describe the land and certify that the licensee is entitled to use the land to breed, raise, trap, and trade muskrats. The license expires on December 31 each year but may

be renewed annually at the discretion of the commissioner upon payment of the license fee. [99.28 s. 3, 7]

Subd. 3. [OWNERSHIP, TAKING, SALE, AND TRANSPORTATION.] A licensee is the owner of all muskrats on the licensed muskrat farm. The licensee may take and trap the muskrats at any time and in any manner, except by firearm or spear. Muskrats taken for pelting purposes may only be trapped under a permit issued by the commissioner. The licensee may sell and transport the muskrats or their pelts from the muskrat farm at any time. The pelts must be tagged as prescribed by the commissioner. The commissioner shall furnish tags to the licensee at cost. The tags must be numbered to identify the muskrat farm license. [99.28 s. 4, 11]

Subd. 4. [POSTING NOTICE.] Within 30 days after a muskrat farm license is issued, the licensee must post and maintain notices on posts, stakes, or enclosures on the boundary of the farm at intervals of not more than 70 feet. The notices stating the existence of a muskrat farm must be furnished by the commissioner to the licensee for 12 cents each. [99.28 s. 6]

Subd. 5. [ALTERATION OF BOUNDARIES.] The licensee may not alter the boundaries of the muskrat farm without consent of the commissioner. [99.28 s. 12]

Subd. 6. [ILLEGAL TAKING.] An unauthorized person who takes muskrats from a muskrat farm is liable to the licensee for \$25 and all damages. An action for the trespass and taking must be brought by the licensee. [99.28 s. 8]

Subd. 7. [ANNUAL REPORT.] By March 1 of each year, the licensee must submit a signed report to the commissioner covering the preceding calendar year. The report must be completed on a form furnished by the commissioner stating the license number, the number and value of muskrats killed, transported, and sold from the muskrat farm, and other information required by the commissioner. [99.28 s. 9]

Sec. 22. [97A.115] [ESTABLISHMENT OF PRIVATE SHOOTING PRESERVES.]

Subdivision 1. [LICENSES; RULES.] A person must be licensed to operate a private shooting preserve. The commissioner may issue a license for a privately owned and operated shooting preserve if the commissioner determines that it is in the public interest. The commissioner may make rules to implement this section and section 23. [100.32]

Subd. 2. [GAME AVAILABLE.] Game that may be released and hunted in a licensed shooting preserve must be specified in the license and is limited to pheasant, quail, chukar par-

tridge, turkey, mallard duck, black duck, and other species designated by the commissioner. These game birds must be pen hatched and raised. [100.33, 100.35 s. 2]

Subd. 3. [SIZE OF PRESERVE.] A private shooting preserve must be at least 100 but not more than 1,000 contiguous acres, including any water area. A preserve limited to duck hunting may be a minimum of 50 contiguous acres including water area. [100.34 s. 3]

Subd. 4. [POSTING OF BOUNDARIES.] The boundaries of a private shooting preserve must be clearly posted in a manner prescribed by the commissioner. [100.34 s. 4]

Subd. 5. [REVOCAION OF LICENSE.] The commissioner may revoke a private shooting preserve license if the licensee or persons authorized to hunt in the preserve have been convicted of a violation under this section or section 23. After revocation, a new license may be issued in the discretion of the commissioner. [100.37]

Sec. 23. [97A.121] [HUNTING IN PRIVATE SHOOTING PRESERVES.]

Subdivision 1. [HUNTER'S LICENSE.] A person hunting in a private shooting preserve must have the licenses required by law for the hunting of game birds. A nonresident may obtain a special private shooting preserve license that is valid for the entire preserve season for the same fee as a resident small game hunting license. [100.35 s. 3]

Subd. 2. [SEASON.] The season for hunting in private shooting preserves is from September 7 through March 31. The commissioner may restrict the season after receiving a complaint, holding a public hearing, and finding that the population of wild game birds is in danger by hunting in the preserve. [100.36]

Subd. 3. [OPERATOR MAY ESTABLISH RESTRICTIONS.] A private shooting preserve licensee may determine who is allowed to hunt in the preserve. In each preserve the licensee may establish the charge for taking game, the shooting hours, the season, limitations, and restrictions on the age, sex, and number of each species that may be taken by a hunter. These provisions may not conflict with this section or section 22 and may not be less restrictive than any rule or order. [100.35 s. 4]

Subd. 4. [LIMITS AND MARKING OF GAME BIRDS.] The commissioner shall prescribe the minimum number of each authorized species that may be released and the percentage of each species that may be taken. The commissioner shall prescribe methods for identifying birds to be released. [100.35 s. 7]

Subd. 5. [MARKING HARVESTED GAME.] Harvested game, except ducks that are marked in accordance with regulations of the United States fish and wildlife service, must be tagged with a self-sealing tag, identifying the private shooting preserve. The commissioner shall issue the tags at a cost of 15 cents each. The tag must remain attached on the bird until the bird is actually prepared for consumption. [100.35 s. 5]

Subd. 6. [RECORDKEEPING.] A private shooting preserve licensee must maintain a registration book listing the names, addresses, and hunting license numbers of all hunters, the date when they hunted, the amount and species of game taken, and the tag numbers affixed to each bird. A record must be kept of the number of each species raised and purchased and the date and number of each species released. The records must be open to inspection by the commissioner at all reasonable times. [100.35 s. 6]

Sec. 24. [97A.125] [WILDLIFE HABITAT ON PRIVATE LAND.]

The commissioner may enter into agreements with landowners to develop or improve wildlife habitat on private land and provide financial, technical, and professional assistance and material. [97.48 s. 27]

Sec. 25. [97A.131] [GAME FARMS AND HATCHERIES.]

The commissioner may acquire property by gift, lease, purchase, or condemnation and may construct, maintain, operate, and alter facilities for game farms and hatcheries. [97.48 s. 12]

Sec. 26. [97A.135] [ACQUISITION OF WILDLIFE LANDS.]

Subdivision 1. [PUBLIC HUNTING AND WILDLIFE AREAS.] (a) The commissioner or the commissioner of administration shall acquire and improve land for public hunting, game refuges, and food and cover planting. The land may be acquired by a gift, lease, easement, or condemnation. At least two-thirds of the total area acquired in a county must be open to public hunting. The commissioner may designate land acquired under this subdivision a wildlife management area for the purposes of the outdoor recreation system. [97.48 s. 13]

(b) The commissioner of administration may transfer money to the commissioner for acquiring wetlands to qualify for Pittman-Robertson funds. The transferred money is reappropriated to the commissioner for the wetland acquisition. [97.48 s. 28]

Subd. 2. [DISPOSAL OF UNSUITABLE HUNTING AREAS.] The commissioner shall sell or exchange land acquired

for public hunting that is unnecessary or unsuitable. The land may not be sold for less than its purchase price. The land may be exchanged for land of equal value that adds to existing public hunting areas. The sales and exchanges must be approved by the executive council. [97.48 s. 14]

Sec. 27. [97A.141] [PUBLIC WATER ACCESS SITES.]

Subdivision 1. [ACQUISITION; GENERALLY.] The commissioner shall acquire access sites adjacent to public waters and easements and rights-of-way necessary to connect the access sites with public highways. The land may be acquired by gift, lease, or purchase, or by condemnation with approval of the executive council. An access site may not exceed seven acres and may only be acquired where access is inadequate. [97.48 s. 15]

Subd. 2. [ACQUISITION; LIMITATIONS.] Access sites may not be acquired under this section adjacent to public waters that are unmeandered or completely surrounded by land owned and maintained for the purpose of an educational or religious institution. Access sites adjacent to public waters that contain less than 200 acres within the meander lines may not be acquired by condemnation and may only be acquired if:

(1) the public water contains at least 150 acres within the meander lines; or

(2) the public waters are to be managed intensively for fishing. [97.48 s. 15]

Subd. 3. [MAINTENANCE.] The commissioner shall maintain the sites, easements, and rights-of-way acquired under this section. The commissioner may make an agreement for the maintenance of the site easements and rights-of-way with a county board if the connecting public highway is a county state-aid highway or county highway, or the town board if the connecting highway is a town road. The county board and town board may spend money from its road and bridge funds for maintenance under the agreement. [97.48 s. 15]

Sec. 28. [97A.145] [WETLANDS FOR WILDLIFE.]

Subdivision 1. [ACQUISITION; GENERALLY.] (a) The commissioner or the commissioner of administration may acquire wetlands and bordering areas, including marshes, ponds, small lakes, and stream bottoms for water conservation relating to wildlife development. The lands that are acquired may be developed for wildlife, recreation, and public hunting. The wetlands may be acquired by gift, lease, purchase, or exchange of state lands.

(b) The commissioner may also acquire land owned by the state and tax-forfeited land that is suitable for wildlife devel-

opment. The wetlands may not be acquired unless public access by right-of-way or easement from a public road is also acquired or available. In acquiring wetlands under this section the commissioner shall assign highest priority to type 3 and 4 wetlands, as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition), that are public waters. Lands purchased or leased under this section may not be used to produce crops unless needed for wildlife. The commissioner may designate land acquired under this section as a wildlife management area for purposes of the outdoor recreation system. [97.48 s. 28; 97.481 s. 1]

Subd. 2. [ACQUISITION PROCEDURE.] (a) Lands purchased or leased under this section must be acquired in accordance with this subdivision.

(b) The commissioner must notify the county board and the town officers where the land is located and furnish them a description of the land to be acquired. The county board must approve or disapprove the proposed acquisition within 90 days after being notified. The commissioner may extend the time up to 30 days. The soil and water conservation district supervisors shall counsel the county board on drainage and flood control and the best utilization and capability of the land.

(c) If the county board approves the acquisition within the prescribed time, the commissioner may acquire the land.

(d) If the county board disapproves the acquisition, it must state valid reasons. The commissioner may not purchase or lease the land if the county board disapproves the acquisition and states its reasons within the prescribed time period. The landowner or the commissioner may appeal the disapproval to the district court having jurisdiction where the land is located.

(e) The commissioner or the owner of the land may submit the proposed acquisition to the land exchange board if: (1) the county board does not give reason for disapproval, or does not approve or disapprove the acquisition within the prescribed time period; or (2) the court finds that the disapproval is arbitrary and capricious, or that the reasons stated for disapproval are invalid.

(f) The land exchange board must conduct a hearing and make a decision on the acquisition within 60 days after receiving the proposal. The land exchange board must give notice of the hearing to the county board, the commissioner, the landowner, and other interested parties. The land exchange board must consider the interests of the county, the state, and the landowner in determining whether the acquisition is in the public interest. If a majority of the land exchange board members approves the acquisition, the commissioner may acquire the land. If a majority disapproves, the commissioner may not purchase or lease the land. [97.481 s. 2]

Subd. 3. [MANAGEMENT.] If a drainage outlet is petitioned and drainage proceedings are conducted under the drainage code, chapter 106A, the commissioner should not interfere with or unnecessarily delay the proceedings. [97.481 s. 1]

Sec. 29. [97A.151] [LEECH LAKE INDIAN RESERVATION AGREEMENT.]

Subdivision 1. [PURPOSE.] The purpose of this section is to give recognition and effect to the rights of the Leech Lake Band of Chippewa Indians that are preserved by federal treaty relating to hunting, fishing, and trapping, and to the gathering of wild rice on the Leech Lake Indian reservation. These rights have been recognized and given effect by the decision of the United States District Court in the following entitled actions: Leech Lake Band of Chippewa Indians, et al v. Robert L. Herbst, No. 3-69 Civ. 65; and United States of America v. State of Minnesota, No. 3-70 Civ. 228. The state of Minnesota desires to settle all outstanding issues and claims relating to the above rights. [97.431 s. 1]

Subd. 2. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Band" means the Leech Lake Band of Chippewa Indians.

(b) "Committee" means the reservation business committee of the Leech Lake Band of Chippewa Indians.

(c) "Reservation" means the Leech Lake Indian reservation described in the settlement agreement.

(d) "Settlement agreement" means the document entitled "Agreement and Settlement" on file and of record in the United States District Court for the District of Minnesota, Third Division, in the following entitled actions: Leech Lake Band of Chippewa Indians, et al v. Robert L. Herbst, No. 3-69 Civ. 65; and United States of America v. State of Minnesota, No. 3-70 Civ. 228. [97.431 s. 2]

Subd. 3. [RATIFICATION OF SETTLEMENT AGREEMENT.] Notwithstanding the provisions of any other law to the contrary, the state of Minnesota by this section ratifies and affirms the agreement set forth in the settlement agreement. [97.431 s. 3]

Subd. 4. [COMMISSIONER'S POWERS AND DUTIES.] (a) Notwithstanding the provisions of any other law to the contrary, the commissioner, on behalf of the state of Minnesota, shall take all actions, by order or otherwise, necessary to carry out the duties and obligations of the state of Minnesota arising from the agreement entered into by the parties to the settlement agreement.

(b) *These actions include but are not limited to the following:*

(1) *the implementation of the exemption of members of the band and other members of the Minnesota Chippewa tribe from state laws relating to hunting, fishing, trapping, the taking of minnows and other bait, and the gathering of wild rice within the reservation, together with exemption from related possession and transportation laws, to the extent necessary to effectuate the terms of the settlement agreement;*

(2) *the establishment of a system of special licenses and related license fees for persons who are not members of the Minnesota Chippewa tribe for the privilege of hunting, fishing, trapping, or taking minnows and other bait within the reservation. All money collected by the commissioner for special licenses shall be deposited in the state treasury and credited to the Leech Lake Band and White Earth Band special license account, which is hereby created. All money in the state treasury credited to the Leech Lake Band and White Earth Band special license account, less any deductions for administrative costs authorized by the terms of the settlement agreement, is appropriated to the commissioner who shall remit the money to the committee pursuant to the terms of the settlement agreement;*

(3) *to the extent necessary to effectuate the terms of the settlement agreement, the promulgation of rules for the harvesting of wild rice within the reservation by non-Indians;*

(4) *to the extent necessary to effectuate the terms of the settlement agreement, the establishment of policies and procedures for the enforcement by conservation officers of the conservation code adopted by the band; and*

(5) *the arbitration of disputes arising under the terms of the settlement agreement. [97.431 s. 4]*

Sec. 30. [97A.155] [AMENDMENTS TO LEECH LAKE INDIAN RESERVATION AGREEMENT.]

Subdivision 1. [PAYMENT IN LIEU OF SPECIAL LICENSES.] The commissioner may enter into an agreement with authorized representatives of the Leech Lake Band of Chippewa Indians to amend the settlement agreement adopted by section 29 by providing that in lieu of the system of special licenses and license fees for persons who are not members of the Minnesota Chippewa tribe for the privilege of hunting, fishing, trapping, or taking minnows and other bait within the reservation, five percent of the proceeds from all licenses sold in the state for hunting, fishing, trapping, and taking minnows and other bait shall be credited to the special license account established by section 29. The funds shall be remitted to the Leech Lake Band in the manner and subject to the terms and conditions that may be mutually agreed upon. [97.433 s. 2]

Subd. 2. [PAYMENT IN LIEU OF MIGRATORY WATER-FOWL STAMP FEE.] The commissioner may enter into an agreement with the reservation business committee of the Leech Lake Indian Reservation to amend the settlement agreement adopted in section 29 by providing that in lieu of collecting an additional fee in connection with the state migratory waterfowl stamp for the privilege of hunting waterfowl on the Leech Lake Indian Reservation five percent of the proceeds from the sale of state migratory waterfowl stamps shall be credited to the special license account established by section 29. The funds shall be remitted to the Leech Lake reservation business committee in the manner and subject to the terms and conditions provided in section 29. [97.432]

Sec. 31. [97A.161] [AGREEMENT WITH WHITE EARTH INDIANS.]

The commissioner may enter into an agreement with authorized representatives of the White Earth Band of Chippewa Indians on substantially the same terms as the agreement adopted by section 29 and amended under section 30; except that the agreement shall provide that 2-1/2 percent of the proceeds from all licenses sold in the state for hunting, fishing, trapping, and taking of minnows and other bait shall be credited to the special license account established by section 29. The funds shall be remitted to the White Earth Band in the manner and subject to the terms and conditions that may be mutually agreed upon. An agreement negotiated under this section shall be for a term of at least four years following the date of its execution. [97.433 s. 1]

Sec. 32. [97A.165] [SOURCE OF PAYMENTS FOR INDIAN AGREEMENT.]

Money to make payments to the Leech Lake Band and White Earth Band special license account under sections 94.16 and section 29, subdivision 4, is annually appropriated for that purpose in a ratio of 60 percent from the game and fish fund and 40 percent from the general fund. [97.433 s. 3]

ENFORCEMENT

Sec. 33. [97A.201] [ENFORCEMENT.]

Subdivision 1. [ENFORCEMENT BY THE COMMISSIONER.] The commissioner shall execute and enforce the laws relating to wild animals. The commissioner may delegate execution and enforcement of the wild animal laws to the director, game refuge managers, and conservation officers. [84.083, 97.48 s. 7]

Subd. 2. [DUTY OF COUNTY ATTORNEYS AND PEACE OFFICERS.] County attorneys and all peace officers must enforce the game and fish laws. [97.52 s. 1]

Sec. 34. [97A.205] [ENFORCEMENT OFFICER POWERS.]

An enforcement officer is authorized to:

(1) *execute and serve court issued warrants and processes relating to wild animals, wild rice, public waters, water pollution, conservation, and use of water, in the same manner as a constable or sheriff; [97.50 s. 1]*

(2) *enter any land to carry out the duties and functions of the division; [97.50 s. 2]*

(3) *make investigations of violations of the game and fish laws; [97.50 s. 2]*

(4) *take an affidavit, if it aids an investigation; [97.50 s. 2]*

(5) *arrest, without a warrant, a person that is detected in the actual violation of the game and fish laws, a provision of chapters 84A, 85, 86A, 88 to 106A, 361, and sections 18.341 to 18.436; 609.66, subdivision 1, clauses (1), (2), (5), and (7); and 609.68; and [97.50 s. 1]*

(6) *take an arrested person before a court in the county where the offense was committed and make a complaint. [97.50 s. 1]*

Sec. 35. [97A.211] [ARREST PROCEDURES.]

Subdivision 1. [NOTICE TO APPEAR IN COURT.] (a) A person must be given notice to appear in court for a misdemeanor violation of the game and fish laws, chapters 84, 105, or 106, or section 609.68 if:

(1) *the person is arrested and is released from custody prior to appearing before a court; or*

(2) *the person is subject to a lawful arrest and is not arrested because it reasonably appears to the enforcement officer that arrest is unnecessary to prevent further criminal conduct and that there is a substantial likelihood that the person will respond to a notice.*

(b) *The enforcement officer shall prepare, in quadruplicate, a written notice to appear in court. The notice must be in the form and has the effect of a summons and complaint. The notice must contain the name and address of the person charged, the offense, and the time and the place to appear in*

court. The court must have jurisdiction within the county where the offense is alleged to have been committed. [97.50 s. 1]

Subd. 2. [RELEASE AFTER ARREST.] A person arrested for a misdemeanor violation of the game and fish laws, chapters 84, 105, or 106 or section 609.68 may obtain release by signing the written notice prepared by the arresting officer promising to appear in court. The officer shall deliver a copy marked "SUMMONS" to the person arrested. The officer must then release the person from custody. [97.50 s. 1]

Subd. 3. [COURT APPEARANCE.] On or before the court appearance date, the enforcement officer must deliver the summons and complaint to the court. If the person summoned fails to appear in court on the day specified, the court shall issue a warrant for the person's arrest. [97.50 s. 1]

Sec. 36. [97A.215] [INSPECTIONS.]

Subdivision 1. [STORAGE OF WILD ANIMALS.] (a) An enforcement officer may enter and inspect any commercial cold storage warehouse, hotel, restaurant, ice house, locker plant, butcher shop, and other building used to store dressed meat, game, or fish, to determine whether wild animals are kept and stored in compliance with the game and fish laws.

(b) When an enforcement officer has probable cause to believe that wild animals taken or possessed in violation of the game and fish laws are present, the officer may:

(1) enter and inspect any place or vehicle; and

(2) open and inspect any package or container. [97.45 s. 14; 97.50 s. 3]

Subd. 2. [RECORDS.] An enforcement officer may inspect the relevant records of any person that the officer has probable cause to believe has violated the game and fish laws. [97.50 s. 3]

Subd. 3. [LICENSED ACTIVITY.] An enforcement officer may, at reasonable times:

(1) enter and inspect the premises of an activity requiring a license under the game and fish laws; and [97.50 s. 4]

(2) stop and inspect a motor vehicle requiring a license under the game and fish laws. [97.50 s. 9]

Sec. 37. [97A.221] [CONFISCATION OF PROPERTY.]

Subdivision 1. [PROPERTY SUBJECT TO CONFISCATION.] (a) An enforcement officer may confiscate:

(1) *wild animals, wild rice, and other aquatic vegetation taken, bought, sold, transported, or possessed in violation of the game and fish laws or chapter 84; and*

(2) *firearms, bows and arrows, nets, boats, lines, poles, fishing rods and tackle, lights, lanterns, snares, traps, spears, dark houses, fish houses, and wild rice harvesting equipment used, with the owner's knowledge to unlawfully take or transport wild animals, wild rice, or other aquatic vegetation.*

(b) *An enforcement officer must confiscate nets and equipment unlawfully possessed within 10 miles of Lake of the Woods or Rainy Lake.*

(c) *Confiscated property may be disposed of, retained for use by the division, or sold at the highest price obtainable as prescribed by the commissioner. [97.50 s. 5, 102.26 s. 5]*

Subd. 2. [CONFISCATION OF COMMINGLED SHIPMENTS.] A whole shipment or parcel is contraband if two or more wild animals are shipped or possessed in the same container, vehicle, or room, or in any way commingled, and any of the animals are contraband. Confiscation of any part of a shipment includes the entire shipment. [97.46]

Sec. 38. [97A.225] [SEIZURE AND CONFISCATION OF MOTOR VEHICLES AND BOATS.]

Subdivision 1. [SEIZURE.] (a) An enforcement officer must seize all motor vehicles used to:

(1) *shrine wild animals in violation of article 2, section 17, subdivision 1;*

(2) *transport big game animals illegally taken or fur-bearing animals illegally purchased; or*

(3) *transport minnows in violation of article 3, sections 46, 49, or 51.*

(b) *An enforcement officer must seize all boats and motors used in netting fish on Lake of the Woods, Rainy Lake, Lake Superior, Namakan Lake, and Sand Point Lake in violation of licensing or operating requirements of section 68, subdivisions 31, 32, 33, or 37, or article 3, sections 65, 66, or 67, or an order or rule of the commissioner relating to these provisions. [97.50 s. 6]*

Subd. 2. [PROCEDURE FOR CONFISCATION OF PROPERTY SEIZED.] The enforcement officer must hold the seized property, subject to the order of the court having jurisdiction where the offense was committed. The property

held is confiscated when the commissioner complies with this section and the person from whom it was seized is convicted of the offense. [97.50 s. 6]

Subd. 3. [COMPLAINT AGAINST PROPERTY.] The commissioner shall file with the court a separate complaint against the property held. The complaint must identify the property, describe its use in the violation, and specify the time and place of the violation. A copy of the complaint must be served upon the defendant or the owner of the property. [97.50 s. 6]

Subd. 4. [RELEASE OF PROPERTY AFTER POSTING BOND.] At any time after seizure of the property specified in this section, the property must be returned to the owner or person having the legal right to possession upon execution of a valid bond to the state with a corporate surety. The bond must be approved by a judge of the court of jurisdiction, conditioned to abide by an order and judgment of the court and to pay the full value of the property at the time of seizure. The bond must be for \$100 or for a greater amount not more than twice the value of the property seized. [97.50 s. 6]

Subd. 5. [COURT ORDER.] (a) If the person arrested is acquitted, the court shall dismiss the complaint against the property and order it returned to the person legally entitled to it.

(b) Upon conviction of the person, the court shall issue an order directed to any person that may have any right, title, or interest in, or lien upon, the seized property. The order must describe the property and state that it was seized and that a complaint against it has been filed. The order shall require a person claiming right, title, or interest in, or lien upon, the property to file with the clerk of court an answer to the complaint, stating the claim, within ten days after the service of the order. The order shall contain a notice that if the person fails to file an answer within the time limit, the property may be ordered sold by the commissioner.

(c) The court order must be served upon any person known or believed to have any right, title, interest, or lien in the same manner as provided for service of a summons in a civil action, and upon unknown persons by publication, in the same manner as provided for publication of a summons in a civil action. [97.50 s. 6]

Subd. 6. [COURT ORDERED SALE AFTER NO ANSWER.] If an answer is not filed within the time provided in subdivision 5, the court administrator shall notify the court and the court shall order the commissioner to sell the property. The net proceeds of the sale shall be deposited in the state treasury and credited to the game and fish fund. [97.50 s. 6]

Subd. 7. [HEARING AFTER ANSWER.] If an answer is filed within the time provided in subdivision 5, the court shall schedule a hearing within ten to 30 days after the time expired for filing the answer. The court, without a jury, shall determine whether any of the property was used in a violation specified in the complaint and whether the owner had knowledge or reason to believe that the property was being used, or intended to be used, in the violation. The court shall order the commissioner to sell the property that was unlawfully used with knowledge of the owner and to return to the owner property that was not unlawfully used with the knowledge of the owner. If the property is to be sold, the court shall determine the priority of liens against the property and whether the lienholders had knowledge that the property was being used or was intended to be used. Lienholders that had knowledge of the property's use in the violation are not to be paid. The court order must state the priority of the liens to be paid. [97.50 s. 6]

Subd. 8. [PROCEEDS OF SALE.] After determining the expense of seizing, keeping, and selling the property, the commissioner must pay the liens from the proceeds according to the court order. The remaining proceeds shall be deposited in the state treasury and credited to the game and fish fund. [97.50 s. 6]

Subd. 9. [CANCELLATION OF SECURITY INTERESTS.] A sale under this section cancels all liens on and security interests in the property sold. [97.50 s. 6]

Sec. 39. [97A.231] [SEARCH WARRANTS.]

Upon complaint establishing that the complainant has probable cause to believe that a wild animal taken, bought, sold, transported, or possessed in violation of the game and fish laws, or contraband is concealed or illegally kept in a place, a judge, authorized to issue warrants in criminal cases, may issue a search warrant. The judge may direct that the place be entered, broken open, and examined. Property seized under the warrant shall be safely kept under the direction of the court so long as necessary for the purpose of being used as evidence in a trial and subsequently disposed of as otherwise provided. [97.50 s. 7]

Sec. 40. [97A.235] [JURISDICTION OVER BOUNDARY WATERS.]

Courts in counties having jurisdiction adjacent to boundary waters and enforcement officers have jurisdiction over the entire boundary waters. The courts and enforcement officers of North Dakota, South Dakota, Iowa, Wisconsin, and Michigan have concurrent jurisdiction over boundary waters. [97.50 s. 8]

Sec. 41. [97A.241] [RECIPROCITY WITH OTHER STATES IN APPOINTING OFFICERS.]

Subdivision 1. [OFFICERS OF OTHER JURISDICTIONS AS SPECIAL CONSERVATION OFFICERS.] With approval of the proper authority of another state or the United States, the commissioner may appoint any salaried and bonded officer of that jurisdiction authorized to enforce its wild animal laws a special conservation officer of this state. A special conservation officer is subject to the supervision and control of and serves at the pleasure of the commissioner, but may not be compensated by this state. A special conservation officer has powers of and is subject to the liabilities of conservation officers of this state, except as otherwise directed by the commissioner. [97.501 s. 2]

Subd. 2. [OFFICERS OF THIS STATE AS OFFICERS OF OTHER JURISDICTIONS.] An enforcement officer or peace officer of this state may enforce wild animal laws of another state, or the United States, under conditions prescribed by the commissioner. The officer may serve under the laws of another jurisdiction to the extent they are compatible with the duties of an officer of this state. [97.501 s. 3]

Subd. 3. [RECIPROCAL EFFECT.] This section is effective with respect to another state or the United States to the extent that there is a similar provision in effect in that jurisdiction with respect to this state. [97.501 s. 1]

Sec. 42. [97A.245] [REWARDS.]

The commissioner may pay rewards for information leading to the conviction of a person that has violated a provision of laws relating to wild animals or threatened or endangered species of wildlife. A reward may not exceed \$500, except a reward for information relating to big game or threatened or endangered species of wildlife, may be up to \$1,000. The rewards may only be paid from funds donated to the commissioner for these purposes and may not be paid to salaried conservation officers or peace officers. [97.51]

Sec. 43. [97A.251] [OBSTRUCTION OF OFFICERS.]

Subdivision 1. [UNLAWFUL CONDUCT.] A person may not:

(1) intentionally hinder, resist, or obstruct an enforcement officer, agent, or employee of the division in the performance of official duties;

(2) refuse to submit to inspection of firearms while in the field, licenses, or wild animals; or

(3) *refuse to allow inspection of a motor vehicle, boat, or other conveyance used while taking or transporting wild animals.* [97.52 s. 2]

Subd. 2. [CIVIL ACTIONS.] In addition to criminal prosecution, the state may bring a civil action to recover damages resulting from and enjoin the continuance of a violation of this section. The civil actions may be brought by the attorney general on the request of the commissioner. [97.52 s. 3]

Sec. 44. [97A.255] [PROSECUTIONS.]

Subdivision 1. [STATUTE OF LIMITATIONS.] A prosecution under the game and fish laws may not be brought more than three years after commission of the offense. [97.54 s. 1]

Subd. 2. [BURDEN OF PROOF.] In a prosecution that alleges animals have been taken, bought, sold, transported, or possessed in violation of the game and fish laws, the burden of establishing that the animals were domesticated, reared in a private preserve, raised in a private fish hatchery, taken for scientific purposes, or lawfully taken outside of this state, is on the defendant. [97.54 s. 2]

Subd. 3. [PRESUMPTION OF ILLEGAL TAKING.] Possession of protected wild animals more than five days after the close of the season, or in excess of the prescribed limits is presumptive evidence that the animals were unlawfully taken, except as to those tagged, sealed, or identified under the game and fish laws. [97.54 s. 3]

Subd. 4. [EACH VIOLATION A SEPARATE OFFENSE.] Each wild animal unlawfully taken, bought, sold, transported, or possessed is a separate offense. If acquitted, a person may not be prosecuted for a similar offense involving another animal in the same incident. [97.55 s. 1]

PENALTIES

Sec. 45. [97A.301] [GENERAL PENALTY PROVISIONS.]

Subdivision 1. [MISDEMEANOR.] Unless a different penalty is prescribed, a person is guilty of a misdemeanor if that person:

(1) *takes, buys, sells, transports or possesses a wild animal in violation of the game and fish laws;*

(2) *aids or assists in committing the violation;*

(3) knowingly shares in the proceeds of the violation;

(4) fails to perform a duty or comply with a requirement of the game and fish laws;

(5) knowingly makes a false statement related to an affidavit regarding a violation of the game and fish laws; or

(6) violates or attempts to violate an order or rule under the game and fish laws. [97.55 s. 1, 2, 3, 4, 11]

Subd. 2. [GROSS MISDEMEANOR.] Unless a different penalty is prescribed, a person convicted of violating a provision of the game and fish laws that is defined as a gross misdemeanor is subject to a fine of not less than \$100 nor more than \$3,000 and imprisonment in the county jail for not less than 90 days or more than one year. [97.55 s. 5]

Sec. 46. [97A.305] [IMPERSONATION OF AN ENFORCEMENT OFFICER.]

A person that purports to be acting in an official capacity and causes another to be injured or defrauded while falsely impersonating an enforcement officer or other officer acting under authority of the game and fish laws, or falsely claiming to have special authority under those laws, is guilty of a gross misdemeanor. [97.55 s. 6]

Sec. 47. [97A.311] [LICENSES.]

Subdivision 1. [ALTERATION OF A LICENSE.] A person that alters a license in a material manner is guilty of a misdemeanor. [97.55 s. 12]

Subd. 2. [FALSE STATEMENT.] A person that knowingly makes a false statement related to an application for a license, a license, or certificate, required by or issued under the game and fish laws, is guilty of a misdemeanor. [97.48 s. 22; 97.55 s. 11]

Subd. 3. [LICENSE AGENT VIOLATIONS.] A license agent that knowingly issues a license to an ineligible person or predates a license is guilty of a misdemeanor. [97.55 s. 11]

Subd. 4. [SUSPENSION OF LICENSE.] In addition to other penalties, a license agent that violates a law, rule, or order of the commissioner relating to license sales, handling, or accounting forfeits the right to sell and handle licenses for a period of one year. [98.50 s. 7]

Sec. 48. [97A.315] [TRESPASS.]

Subdivision 1. [CRIMINAL PENALTIES.] (a) A person that violates a provision of article 2, section 1, relating to trespass is guilty of a misdemeanor except as provided in paragraph (b).

(b) A person is guilty of a gross misdemeanor if the person:

(1) knowingly disregards signs prohibiting trespass;

(2) trespasses after personally being notified by the landowner or lessee not to trespass; or

(3) is convicted of violating this section more than once in a three-year period. [100.273 s. 9]

Subd. 2. [LICENSE REVOCATIONS.] (a) If a person convicted under subdivision 1 of trespassing while exercising or attempting to exercise an activity licensed under the game and fish laws or requiring snowmobile registration under section 84.82, the applicable license and registration are null and void. [100.273 s. 9]

(b) A person convicted of a gross misdemeanor under subdivision 1, paragraph (b), may not be issued a license to take game for two years after the conviction. [100.273 s. 9]

Sec. 49. [97A.321] [DOGS PURSUING OR KILLING BIG GAME.]

The owner of a dog that kills or pursues a big game animal is guilty of a petty misdemeanor and is subject to a civil penalty of up to \$500 for each violation. [100.29 s. 19]

Sec. 50. [97A.325] [PENALTIES FOR UNLAWFULLY BUYING OR SELLING WILD ANIMALS.]

Subdivision 1. [GROSS MISDEMEANOR FOR SALES OF \$300 OR MORE.] (a) A person that buys or sells protected wild animals in violation of the game and fish laws where the sales total \$300 or more is guilty of a gross misdemeanor. The person is subject to the penalty in section 45, subdivision 2, except that the fine is not less than \$3,000 or more than \$10,000.

(b) Licenses possessed by a person convicted under this subdivision are null and void and the person may not take wild animals for three years after the conviction. [97.55 s. 16]

Subd. 2. [DEER; MOOSE; ELK; CARIBOU.] Except as provided in subdivision 1, a person that violates a provision of the game and fish laws relating to buying or selling deer, moose, elk, or caribou is guilty of a gross misdemeanor. [97.55 s. 8, 9; 100.29 s. 11]

Subd. 3. [SMALL GAME AND GAME FISH.] Except as provided in subdivision 1, a person that buys or sells small game or game fish in violation of the game and fish laws where the sales total \$50 or more is guilty of a gross misdemeanor. [97.55 s. 15]

Subd. 4. [FUR-BEARING ANIMALS.] Except as provided in subdivision 1, a person that buys fur-bearing animals in violation of the game and fish laws is guilty of a gross misdemeanor. [100.29 s. 11; 97.55 s. 9]

Sec. 51. [97A.331] [PENALTIES RELATED TO HUNTING.]

Subdivision 1. [HUNTING WHILE INTOXICATED OR USING NARCOTIC DRUGS.] A person that violates a provision relating to hunting while visibly intoxicated or under the influence of a narcotic drug under article 2, section 14, is guilty of a gross misdemeanor. [97.55 s. 10]

Subd. 2. [SHINING.] A person that violates article 2, section 17, relating to the use of an artificial light to locate wild animals while in possession of a firearm, bow, or other implement capable of killing big game is guilty of a gross misdemeanor. [97.55 s. 9]

Subd. 3. [TRANSPORTING ILLEGAL BIG GAME.] A person that knowingly transports big game taken in violation of the game and fish laws is guilty of a gross misdemeanor. [97.55 s. 9]

Subd. 4. [TAKING AND POSSESSING BIG GAME OUT OF SEASON.] A person that takes or illegally possesses big game during the closed season is guilty of a gross misdemeanor. [97.55 s. 9]

Subd. 5. [MOOSE; ELK; CARIBOU.] A person that unlawfully takes, transports, or possesses moose, elk, or caribou in violation of the game and fish laws is guilty of a gross misdemeanor. [97.55 s. 8]

Subd. 6. [PINE MARTEN; OTTER; FISHER; WOLVERINE.] A person that takes, transports, or possesses pine marten, otter, fisher, or wolverine in violation of the game and fish laws is guilty of a gross misdemeanor. [97.55 s. 8]

Sec. 52. [97A.335] [PENALTIES RELATED TO FISHING.]

Subdivision 1. [TAKING FISH WITH ILLEGAL DEVICES OR SUBSTANCES.] A person that takes fish with devices, chemicals or substances in violation of article 3, section 27, is guilty of a gross misdemeanor. [97.55 s. 14]

Subd. 2. [ILLEGALLY TAKING OR POSSESSING MUSKELLUNGE.] A person who takes or possesses a muskellunge in violation of the game and fish laws is guilty of a misdemeanor and subject to a fine of up to \$1,000. [97.55 s. 17]

LICENSES AND PERMITS

Sec. 53. [97A.401] [SPECIAL PERMITS.]

Subdivision 1. [COMMISSIONER'S AUTHORITY.] The commissioner may issue special permits for the activities in this section. [98.48]

Subd. 2. [ZOOLOGICAL SPECIMEN COLLECTING.] Special permits may be issued without a fee to municipalities, incorporated natural history societies, high schools, colleges, and universities that maintain a zoological collection, to collect specimens of eggs, nests, and wild animals for scientific or exhibition purposes. [98.48 s. 1]

Subd. 3. [TAKING, POSSESSING, AND TRANSPORTING WILD ANIMALS FOR CERTAIN PURPOSES.] (a) Except as provided in paragraph (b), special permits may be issued without a fee to take, possess, and transport wild animals as pets and for scientific, educational, and exhibition purposes. The commissioner shall prescribe the conditions for taking, possessing, transporting, and disposing of the wild animals.

(b) A special permit may not be issued to take or possess wild or native deer for exhibition or propagation.

(c) The commissioner shall establish criteria for issuing special permits for persons to possess wild and native deer as pets. [98.48 s. 3]

Subd. 4. [TAKING WILD ANIMALS FROM GAME REFUGES AND WILDLIFE MANAGEMENT AREAS.] Special permits may be issued, with or without a fee, to take a wild animal from game refuges, wildlife management areas, and state parks. [98.48 s. 4]

Subd. 5. [WILD ANIMALS DAMAGING PROPERTY.] Special permits may be issued with or without a fee to take protected wild animals that are damaging property. A special permit issued under this subdivision to take beaver must state the number to be taken. [98.48 s. 5]

Subd. 6. [ENDANGERED MUSKRATS.] Special permits may be issued with or without a fee to take muskrats in danger of freezing out or starving in the winter. [98.48 s. 6]

Sec. 54. [97A.405] [LICENSE REQUIREMENTS.]

Subdivision 1. [PROTECTED WILD ANIMALS.] Unless allowed under the game and fish laws, a person may not take, buy, sell, transport, or possess protected wild animals of this state without a license. [98.45 s. 1; 98.46 s. 24]

Subd. 2. [PERSONAL POSSESSION.] A person to whom a license is issued must have the license in personal possession while acting under the license and while traveling to and from the area where the licensed activity is performed. If possession of a license is required, a person must exhibit the proper license when requested by a conservation officer or peace officer. A receipt for license fees, a copy of a license, or evidence showing the issuance of a license does not entitle a licensee to exercise the rights or privileges conferred by a license. [98.45 s. 2]

Subd. 3. [DUPLICATE LICENSES.] The commissioner shall prescribe rules for issuing duplicate licenses to persons whose licenses are lost or destroyed. A duplicate license may not be issued unless the applicant takes an oath covering the facts of loss or destruction of the license. [98.50 s. 6]

Sec. 55. [97A.411] [VALIDITY OF LICENSES.]

Subdivision 1. [LICENSE PERIOD.] A license is valid during the lawful time within the license year that the licensed activity may be performed. A license year begins on the first day of March and ends on the last day of February. [97.4841 s. 3; 97.4842 s. 2; 97.4843 s. 2; 98.45 s. 1]

Subd. 2. [SIGNATURE ON STAMPS.] A stamp issued under the game and fish laws must be signed by the licensee across the front of the stamp to be valid. [97.4841 s. 2; 97.4842 s. 1; 97.4843 s. 2]

Subd. 3. [ARCHERY DEER LICENSE.] A license to take deer by archery issued after the opening of the archery deer season is not valid until the fifth day after it is issued. [98.45 s. 1]

Sec. 56. [97A.415] [LICENSE RESTRICTIONS.]

Subdivision 1. [ONE LICENSE PER PERSON.] Only one license of each kind may be issued to a person in a license year, except the nonresident short term angling license, unless authorized by commissioner's order. [98.45 s. 1]

Subd. 2. [TRANSFER PROHIBITED.] A person may not lend, transfer, borrow, or solicit a license, application for a license, coupon, tag, or seal, or use a license, coupon, tag, or seal not issued to the person unless otherwise expressly authorized. [98.45 s. 1, 3, 100.271 s. 5]

Subd. 3. [NONRESIDENTS.] Nonresidents may not obtain a license for an activity unless the activity is expressly authorized for nonresidents. [98.45 s. 4, 5]

Sec. 57. [97A.421] [VALIDITY AND ISSUANCE OF LICENSES AFTER CONVICTION.]

Subdivision 1. [GENERAL.] (a) The license of a person convicted of a violation of the game and fish laws relating to the license or wild animals covered by the license is void when: [98.52 s. 1]

(1) a second conviction occurs within three years under a license to take small game or to take fish by angling or spearing;

(2) a third conviction occurs within one year under a minnow dealer's license; or

(3) the conviction occurs under a license not described in clauses (1) or (2). [98.52 s. 1, 2]

(b) Except as provided in this section, and for one year after the conviction, the person may not obtain that kind of license.

Subd. 2. [ISSUANCE OF LICENSE AFTER CONVICTION FOR BUYING AND SELLING WILD ANIMALS.] A person may not obtain a license to take any wild animal for a period of three years after being convicted of buying or selling game fish, big game, or small game, and the total amount of the sale is \$300 or more. [98.52 s. 6]

Subd. 3. [ISSUANCE OF A BIG GAME LICENSE AFTER CONVICTION.] A person may not obtain any big game license for three years after the person is convicted of:

(1) a gross misdemeanor violation under the game and fish laws relating to big game;

(2) doing an act without a required big game license; or

(3) the second violation within three years under the game and fish laws relating to big game. [98.52 s. 1]

Subd. 4. [ISSUANCE AFTER INTOXICATION OR NARCOTICS CONVICTION.] A person convicted of a violation under article 2, section 14, relating to hunting while intoxicated or using narcotics, may not obtain a license to hunt with a firearm or by archery for five years after conviction. [98.52 s. 4]

Subd. 5. [COMMISSIONER MAY REINSTATE CERTAIN LICENSES AFTER CONVICTION.] If the commissioner determines that the public welfare will not be injured, the com-

missioner may reinstate licenses voided under subdivision 1 and issue licenses to persons ineligible under subdivision 2. The commissioner's authority applies only to licenses to:

(1) maintain and operate fur or game farms or private fish hatcheries;

(2) take fish commercially in Lake of the Woods, Rainy Lake, Namakan Lake, or Lake Superior;

(3) buy fish from Lake of the Woods, Rainy Lake, Namakan Lake, or Lake Superior commercial fishermen; and

(4) sell live minnows. [98.52 s. 3]

Subd. 6. [APPLICABILITY TO MOOSE LICENSES.] In this section the term "license" includes an application for a license to take moose. [98.50 s. 9]

Sec. 58. [97A.425] [RECORD AND REPORTING REQUIREMENTS FOR DEALERS, TANNERS, AND TAXIDERMISTS.]

Subdivision 1. [REQUIREMENT.] A person required to have a license under the game and fish laws to buy or sell wild animals, to tan or dress raw furs, or to mount specimens of wild animals, must keep complete records in a book of all transactions and activities covered by the license and submit reports to the commissioner. [98.51 s. 2]

Subd. 2. [RECORDS.] (a) The records must show:

(1) the names and addresses of persons from whom wild animals were obtained and to whom they were transferred;

(2) the dates of receipt, shipment, and sale of wild animals;

(3) detailed descriptions of the number and type of wild animals purchased, sold, and shipped;

(4) serial numbers of seals, tags, or permits required to be attached to the wild animals; and

(5) trapping license numbers for protected fur-bearing animals, unless the trapper is exempt from the license requirement, which must be noted.

(b) A licensed fur dealer, buying for one employer at the employer's place of business is not required to keep separate records if the employer notifies the commissioner in writing that the employer will account for the fur dealer.

(c) *The records required under this section must be available for inspection by the commissioner, the director, or their agents at all reasonable times. The records must be preserved and available for two years after the expiration of a license that required them.* [98.51 s. 2]

Subd. 3. [REPORTS.] An annual notarized report covering the preceding calendar year must be submitted to the commissioner by January 15. The commissioner may require other reports for statistical purposes. The reports must be on forms supplied by the commissioner. [98.51 s. 3]

Sec. 59. [97A.431] [MOOSE LICENSES.]

Subdivision 1. [NUMBER OF LICENSES.] The commissioner shall include in an order setting the dates for a moose season the number of licenses to be issued. [100.271 s. 1]

Subd. 2. [ELIGIBILITY.] Persons eligible for a moose license shall be determined under this section and commissioner's order. A person is eligible for a moose license only if the person:

- (1) *is a resident;*
- (2) *is at least age 16 before the season opens; and*
- (3) *has not been issued a moose license for any of the last five seasons.* [100.271 s. 3, 3a.]

Subd. 3. [APPLICATION FOR LICENSE.] An application for a moose license must be on a form provided by the commissioner and accompanied by a \$1 application fee. A person may not make more than one application for each season. If a person makes more than one application, the person is ineligible for a license for that season after determination by the commissioner, without a hearing. [100.271 s. 2, 4]

Subd. 4. [SEPARATE SELECTION; ELIGIBILITY.] The commissioner may conduct a separate selection for up to 20 percent of the moose licenses to be issued for an area. Only owners of, and tenants living on, at least 160 acres of agricultural or grazing land in the area are eligible for the separate selection. Persons that are unsuccessful in a separate selection must be included in the selection for the remaining licenses. [100.271 s. 1]

Sec. 60. [97A.435] [TURKEY LICENSES; APPLICATION AND ELIGIBILITY.]

Subdivision 1. [NUMBER OF LICENSES TO BE ISSUED.] The commissioner shall include in an order setting the dates for a turkey season the number of licenses to be issued. [100.271 s. 1]

Subd. 2. [ELIGIBILITY.] Persons eligible for a turkey license shall be determined by this section and commissioner's order. A person is eligible for a turkey license only if the person is a resident and at least age 16 before the season opens. [100.271 s. 3]

Subd. 3. [APPLICATION FOR LICENSE.] An application for a turkey license must be on a form provided by the commissioner and accompanied by a \$3 application fee. A person may not make more than one application for each season. If a person makes more than one application the person is ineligible for a license for that season after determination by the commissioner, without a hearing. [100.271 s. 2, 4]

Subd. 4. [SEPARATE SELECTION OF ELIGIBLE LICENSEES.] The commissioner may conduct a separate selection for up to 20 percent of the turkey licenses to be issued for any area. Only persons that are owners or tenants of and that live on at least 40 acres of agricultural or grazing land in the area are eligible applicants for turkey licenses for the separate selection. Persons that are unsuccessful in a separate selection must be included in the selection for the remaining licenses. Persons that obtain a license in a separate selection must allow public turkey hunting on their land during that turkey season. [100.271 s. 1]

Sec. 61. [97A.441] [LICENSES TO BE ISSUED WITHOUT A FEE.]

Subdivision 1. [ANGLING AND SPEARING; DISABLED RESIDENTS.] Licenses to take fish by angling or spearing shall be issued without a fee to a resident that is:

- (1) blind;*
- (2) a recipient of supplemental security income for the aged, blind, and disabled;*
- (3) a recipient of social security aid to the disabled under United States Code, title 42, section 416, paragraph (i)(1) or section 423(d); or*
- (4) is a recipient of workers' compensation based on a finding of total and permanent disability. [98.47 s. 8]*

Subd. 2. [ANGLING; FOREIGN EXCHANGE STUDENTS.] A license to take fish by angling shall be issued without a fee to a citizen of a foreign country that is attending school in this state as an exchange student. [98.47 s. 11]

Subd. 3. [ANGLING; RESIDENTS OF STATE INSTITUTIONS.] The commissioner may issue a license, without a fee, to take fish by angling to a person that is a ward of the commis-

sioner of human services and a resident of a state institution upon application by the commissioner of human services. [98.47 s. 13]

Subd. 4. [ANGLING; MENTALLY RETARDED RESIDENTS.] A person authorized to issue licenses must issue, without a fee, a permanent license to take fish by angling to a resident at least 16 years old that is mentally retarded upon being furnished satisfactory evidence of the disability. [98.47 s. 15]

Subd. 5. [ANGLING; DISABLED VETERANS.] A person authorized to issue licenses must issue, without a fee, a permanent license to take fish by angling to a resident that is a veteran, as defined in section 197.447, and that has a 100 percent service connected disability as defined by the United States Veterans Administration upon being furnished satisfactory evidence. [98.47 s. 16]

Subd. 6. [TAKING DEER; DISABLED VETERANS.] A person authorized to issue licenses must issue, without a fee, a license to take deer with firearms or by archery to a resident that is a veteran, as defined in section 197.447, and that has a 100 percent service connected disability as defined by the United States Veterans Administration upon being furnished satisfactory evidence. [98.47 s. 18]

Sec. 62. [97A.445] [EXEMPTIONS FROM LICENSE REQUIREMENT.]

Subdivision 1. [ANGLING; TAKE A KID FISHING WEEKEND.] A resident over age 18 may take fish by angling without a license during the second Saturday and Sunday of the angling season if accompanied by a child who is under age 16. The commissioner shall publicize the Saturday and Sunday as "Take a Kid Fishing Weekend." [98.45 s. 9]

Subd. 2. [ANGLING; INSTITUTIONAL RESIDENTS.] A license is not required to take fish by angling with the written consent of the superintendent or chief executive of the institution for the following persons:

- (1) a resident of a state hospital;*
- (2) a patient of a United States Veterans Administration hospital; and*
- (3) an inmate of a state correctional facility. [98.47 s. 12]*

Subd. 3. [ANGLING AND SPEARING; DISABLED RAILROAD AND POSTAL RETIREES.] A license is not required to take fish by angling or spearing for a resident that is:

(1) *receiving aid under the federal Railroad Retirement Act of 1937, 45 United States Code Annotated, section 228b(a)5; or*

(2) *a former employee of the United States Postal Service receiving disability pay under United States Code Annotated, title 5, section 8337. [98.47 s. 17]*

Sec. 63. [97A.451] [LICENSE REQUIREMENTS AND EXEMPTIONS RELATING TO AGE.]

Subdivision 1. [RESIDENTS OVER AGE 65; FISHING.] A resident age 65 or over may take fish by angling or spearing without a license if the resident has a valid driver's license, Minnesota identification card, or other document showing age and residency in possession while taking fish and while traveling to and from the location where fish are taken. The person must exhibit the proof of age at the request of a conservation officer or peace officer. [97.4842 s. 1, 98.45 s. 2, 98.47 s. 1]

Subd. 2. [RESIDENTS UNDER AGE 16; FISHING.] A resident under the age of 16 years may take fish without a license. [97.4842 s. 1; 98.47 s. 1]

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

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

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

(3) age 12 or under and is accompanied by a parent or guardian. [98.47 s. 1]

(b) A resident under age 16 may take small game by trapping without a small game license, but a resident over age 13 must have a trapping license. A resident under age 14 may trap without a trapping license.

Subd. 4. [PERSONS UNDER AGE 16; BIG GAME.] A person under the age of 16 may not obtain a license to take big game unless the person possesses a firearms safety certificate. A person under the age of 14 must be accompanied by a parent or guardian to hunt big game. [98.47 s. 1]

Subd. 5. [NONRESIDENTS UNDER AGE 16; FISHING WITH PARENTS.] A nonresident under the age of 16 may take fish by angling without a license if a parent or guardian has a nonresident fishing license. Fish taken by a nonresident under the age of 16 without a license must be included in the limit of the parent or guardian. [97.45 s. 6, 98.47 s. 1]

Subd. 6. [NONRESIDENTS UNDER AGE 16 ATTENDING CAMPS; FISHING.] A nonresident under the age of 16 that is attending a camp conducted by a nonprofit organization may take fish by angling in adjacent and connected public waters without a license. The organization must have a certificate from the commissioner that describes the public waters where the fishing is allowed. The nonresident must possess a document, prescribed by the commissioner, for identification of the nonresident and the authorized fishing waters. The document must be signed and dated within the current calendar year by the person in charge of the camp. [98.47 s. 1]

Sec. 64. [97A.455] [NONRESIDENT STUDENTS; FISHING AND SMALL GAME.]

A nonresident that is a full-time student at an educational institution in the state and resides in the state during the school year may obtain a resident license to take fish or small game by providing proof of student status as prescribed by the commissioner. [98.45 s. 7]

Sec. 65. [97A.461] [NONRESIDENT LICENSES FOR BOUNDARY WATER HUNTING OR FISHING.]

Licenses to take fish or small game in or on boundary waters may be granted to nonresidents upon the same terms and conditions as licenses granted by the adjacent state or province to nonresidents of the adjacent state or province for those boundary waters. The fees for a license granted by this state may not be less than the fees for a corresponding resident license. [98.47 s. 5]

Sec. 66. [97A.465] [MILITARY PERSONNEL; FISHING AND HUNTING.]

Subdivision 1. [RESIDENTS ON LEAVE.] A resident that is in the armed forces of the United States, stationed outside of the state, and in the state on leave, may hunt and fish without a license if the resident possesses official military leave papers. The resident must obtain the seals, tags, and coupons required of a licensee, which must be furnished without charge. This subdivision does not apply to the taking of moose. [98.47 s. 2]

Subd. 2. [CAMP RIPLEY PERSONNEL.] A nonresident who is in the military and in training at Camp Ripley may obtain a resident license to take fish. [98.47 s. 3a]

Subd. 3. [NONRESIDENTS STATIONED IN THE STATE.] The commissioner may issue a resident license to take fish or game to a person in the armed forces of the United States that is stationed in the state. This subdivision does not apply to the taking of moose. [98.47 s. 3]

Subd. 4. [DISCHARGED RESIDENT; OBTAINING DEER LICENSE DURING SEASON.] Notwithstanding section 69, subdivision 9, a resident that is discharged from the United States armed forces during, or within ten days before, the firearms deer season may, upon showing the official discharge paper, obtain a firearm deer license during the season. [98.45 s. 1]

Sec. 67. [97A.471] [NONRESIDENT COURTESY LICENSES.]

Subdivision 1. [GAME AND FISH OFFICERS OF OTHER JURISDICTIONS.] The commissioner may issue a courtesy nonresident license to take game or fish without charge to a game and fish or conservation employee of another state or of the United States that is in the state to assist or cooperate with the commissioner. [98.47 s. 4]

Subd. 2. [GUESTS OF THE GOVERNOR OR COMMISSIONER.] The commissioner may issue a nonresident courtesy license to take game or fish without charge to an official of another state, the United States, or foreign country and to a representative of a conservation organization or publication that is in the state as a guest of the governor or commissioner. [98.47 s. 4]

Subd. 3. [NONAPPLICABILITY TO MOOSE HUNTING.] This section does not apply to taking moose. [98.47 s. 4]

Sec. 68. [97A.475] [LICENSE FEES.]

Subdivision 1. [REQUIREMENTS FOR ISSUANCE.] A license shall be issued when the requirements of the law are met and the license fee specified in this section is paid. [98.46 s. 1]

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

- (1) for persons under age 65 to take small game, \$7;*
- (2) for persons age 65 or over, \$3.50;*
- (3) to take turkey, \$10;*
- (4) to take deer with firearms, \$15;*
- (5) to take deer by archery, \$15;*
- (6) to take moose, for a party of not more than four persons, \$200; and*
- (7) to take bear, \$25. [98.45 s. 8, 98.46 s. 2]*

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

- (1) *to take small game, \$46;*
- (2) *to take deer with firearms, \$100;*
- (3) *to take deer by archery, \$100;*
- (4) *to take bear, \$150;*
- (5) *to take turkey, \$30; and*

(6) *to take raccoon, bobcat, fox, coyote, or lynx, \$100. [98.-46 s. 14]*

Subd. 4. [SMALL GAME SURCHARGE.] Fees for licenses to take small game must be increased by a surcharge of \$4. An additional commission may not be assessed on the surcharge and this must be stated on the back of the license with the following statement: "This \$4 surcharge is being paid by sportsmen for the acquisition and development of wildlife lands." [97.482 s. 1]

Subd. 5. [HUNTING STAMPS.] Fees for the following stamps are:

- (1) *migratory waterfowl stamp, \$5; and*
- (2) *pheasant stamp, \$5. [97.4841 s. 3, 98.4843 s. 3]*

Subd. 6. [RESIDENT FISHING.] Fees for the following licenses to be issued to residents only are:

- (1) *to take fish by angling, \$6.50;*
- (2) *to take fish by angling, for a combined license for a married couple, \$10.50; and*
- (3) *to take fish by spearing from a dark house, \$7.50. [98.-46 s. 2, 5]*

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, shall be:

- (1) *to take fish by angling, \$16;*
- (2) *to take fish by angling limited to seven consecutive days, \$13;*
- (3) *to take fish by angling for three days, \$10; and*

(4) to take fish by angling for a combined license for a family, \$27.50. [98.46 s. 15]

Subd. 8. [MINNESOTA SPORTSMAN.] The commissioner shall issue Minnesota sportsman licenses to residents only. The licensee may take fish by angling and small game. The fee for the license is:

(1) for an individual, \$12; and

(2) for a combined license for a married couple to take fish and for one spouse to take small game, \$16. [98.46 s. 2a]

Subd. 9. [FISHING SURCHARGE.] The fees for the following licenses must be increased by a surcharge of \$2.50:

(1) resident angling, under subdivision 6, clauses (1) and (2);

(2) nonresident angling, under subdivision 7;

(3) Minnesota sportsman, under subdivision 8;

(4) nonresident fish houses, under subdivision 12; and

(5) to net fish for domestic use, under subdivision 13. [97.-86 s. 1]

Subd. 10. [TROUT AND SALMON STAMP.] The fee for a trout and salmon stamp is \$5. [97.4842 s. 2]

Subd. 11. [FISH HOUSES AND DARK HOUSES; RESIDENTS.] Fees for the following licenses are:

(1) for a fish house or dark house that is not rented, \$5; and

(2) for a fish house or dark house that is rented, \$15. [98.46 s. 5]

Subd. 12. [FISH HOUSES; NONRESIDENT.] The fee for a fish house license for a nonresident is \$15. [98.46 s. 15]

Subd. 13. [NETTING WHITEFISH AND CISCOES FOR PERSONAL CONSUMPTION.] The fee for a license to net whitefish and ciscoes in inland lakes and international waters for personal consumption is, for each net, \$3. [98.46 s. 5]

Subd. 14. [ROUGH FISH; MINNESOTA AND MISSISSIPPI RIVERS.] The fee for a license to take rough fish for domestic use with a set line, in the Minnesota and Mississippi rivers is \$13. [98.46 s. 9]

Subd. 15. [LAKE SUPERIOR FISHING GUIDES.] The fee for a license to operate a charter boat and guide anglers on Lake Superior is:

(1) *for a resident, \$25;*

(2) *for a nonresident, \$100; or*

(3) *if another state charges a Minnesota resident a fee greater than \$100 for a Lake Superior fishing guide license in that state, the nonresident fee for a resident of that state is that greater fee. [98.457]*

Subd. 16. [RESIDENT HUNTING GUIDES.] The fees for the following resident guide licenses are:

(1) *to guide bear hunters, \$75; and*

(2) *to guide turkey hunters, \$20. [98.46 s. 4]*

Subd. 17. [NONRESIDENT BEAR GUIDES.] The fee for a license to guide bear hunters for a nonresident is \$400. [98.46 s. 16]

Subd. 18. [SHOOTING PRESERVES.] The fee for a shooting preserve license is \$75. [100.35 s. 1]

Subd. 19. [TAXIDERMISTS.] The fee for a taxidermist license, to be issued for a three-year period to residents only is:

(1) *for persons age 18 and older, \$40; and*

(2) *for persons under age 18, \$25. [98.46 s. 5]*

Subd. 20. [TRAPPING LICENSE.] The fee for a license to trap fur-bearing animals is:

(1) *for persons over age 13 and under age 18, \$3.50; and*

(2) *for persons age 18 and older, \$13. [98.46 s. 4]*

Subd. 21. [FUR BUYING AND SELLING; RESIDENTS.] (a) The fee for a license for a resident to buy and sell raw furs is \$100.

(b) *The fee for a supplemental license to buy and sell furs is \$50. [98.46 s. 4]*

Subd. 22. [FUR BUYING AND SELLING; NONRESIDENTS.] The fee for a license for a nonresident to buy and sell raw furs is \$500. [98.46 s. 16]

Subd. 23. [RAW FUR TANNING.] The fee for a license to tan and dress raw furs to be issued to residents and nonresidents is \$15. [98.46 s. 19(3)]

Subd. 24. [GAME AND FUR FARMS.] The fee for a game and fur farm license is \$15. [98.46 s. 5]

Subd. 25. [MUSKRAT FARMS.] The fee for a muskrat farm license is \$10. [99.28 s. 5]

Subd. 26. [MINNOW DEALERS.] The fees for the following licenses are:

- (1) minnow dealer, \$70;*
- (2) minnow dealer's helper, \$5;*
- (3) minnow dealer's vehicle, \$10;*
- (4) exporting minnow dealer, \$250; and*
- (5) exporting minnow dealer's vehicle, \$10. [98.46 s. 5]*

Subd. 27. [MINNOW RETAILERS.] The fees for the following licenses, to be issued to residents and nonresidents, are:

- (1) minnow retailer, \$10; and*
- (2) minnow retailer's vehicle, \$10. [98.46 s. 17]*

Subd. 28. [NONRESIDENT MINNOW HAULERS.] The fees for the following licenses, to be issued to nonresidents, are:

- (1) exporting minnow hauler, \$525; and*
- (2) exporting minnow hauler's vehicle, \$10. [98.46 s. 5]*

Subd. 29. [PRIVATE FISH HATCHERIES.] The fees for the following licenses to be issued to residents and nonresidents are:

(1) for a private fish hatchery, with annual sales under \$200, \$25;

(2) for a private fish hatchery, with annual sales of \$200 or more, \$50; and

(3) To take sucker eggs from public waters for a private fish hatchery, \$150, plus \$3 for each quart in excess of 100 quarts. [98.46 s. 17]

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

- (1) for each hoop net pocket, 75 cents;
- (2) for each 1,000 feet of seine, \$15; and
- (3) for each helper's license, \$5. [98.46 s. 9a, 102.285 s. 1]

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

- (1) for each pound net or staked trap net, \$45;
- (2) for each fyke net, \$10, plus \$5 for each two-foot segment, or fraction, of the wings or lead in excess of four feet in height;
- (3) for each 100 feet of gill net, \$2.50;
- (4) for each submerged trap net, \$15; and
- (5) for each helper's license, \$15. [98.46 s. 10]

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

- (1) for each pound net, \$45;
- (2) for each 100 feet of gill net, \$2.50; and
- (3) for each helper's license, \$15. [98.46 s. 11]

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

- (1) for each 100 feet of gill net, \$1.50;
- (2) for each pound, fyke, and submerged trap net, \$15; and
- (3) for each helper's license, \$5. [98.46 s. 13]

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

- (1) for a seine not exceeding 500 feet, \$25; or
- (2) for a seine over 500 feet, \$40, plus \$2 for each 100 foot segment or fraction over 1,000 feet.

(b) *The fee for each helper's license issued under paragraph (a) is \$5. [98.46 s. 8]*

Subd. 35. [COMMERCIAL SEINING OF FISH IN WISCONSIN BOUNDARY WATERS.] *The fee for a license to commercially seine fish in the boundary waters between Wisconsin and Minnesota from Taylors Falls to the Iowa border is:*

- (1) *for a seine not exceeding 500 feet, \$25; or*
- (2) *for a seine over 500 feet, \$40, plus \$2.50 for each 100 feet over 1,000 feet; and*
- (3) *for each helper's license to be issued to residents and non-residents, \$5. [98.46 s. 6]*

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

- (1) *for each gill net not exceeding 500 feet, \$13;*
- (2) *for each gill net over 500 feet, \$25;*
- (3) *for each fyke net and hoop net, \$10;*
- (4) *for each bait net, \$1.50;*
- (5) *for each turtle net, \$1.50;*
- (6) *for each set line identification tag, \$13; and*
- (7) *for each helper's license to be issued to residents and non-residents, \$5. [98.46 s. 7]*

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

- (1) *for each gill net, \$70 plus \$2 for each 1,000 feet over 1,000 feet;*
- (2) *for a pound or trap net, \$70 plus \$2 for each additional pound or trap net; and*
- (3) *for each helper's license, \$5. [98.46 s. 12a]*

Subd. 38. [FISH BUYERS.] *The fees for licenses to buy fish from licensed commercial fishermen to be issued residents and nonresidents are:*

- (1) for Lake Superior fish bought for sale to retailers, \$50;
- (2) for Lake Superior fish bought for sale to consumers, \$10;
- (3) for Lake of the Woods, Namakan, Sand Point, and Rainy Lake fish bought for sale to retailers, \$100; and
- (4) for Lake of the Woods, Namakan, Sand Point, and Rainy Lake fish bought for shipment only on international boundary waters, \$10. [98.46 s. 19]

Subd. 39. [FISH PACKER.] The fee for a license to prepare dressed game fish for transportation or shipment is \$13. [98.46 s. 5]

Subd. 40. [FISH VENDORS.] The fee for a license to use a motor vehicle to sell fish is \$25. [98.46 s. 19]

Subd. 41. [TURTLE SELLERS.] The fee for a license to take, transport, purchase, and possess unprocessed turtles for sale is \$50. [98.46 s. 5]

Subd. 42. [FROG DEALERS.] The fee for the licenses to deal in frogs that are to be used for purposes other than bait are:

- (1) for a resident to purchase, possess, and transport frogs, \$70;
- (2) for a nonresident to purchase, possess, and transport frogs, \$200; and
- (3) for a resident to take, possess, transport, and sell frogs, \$10. [101.44]

Sec. 69. [97A.481] [LICENSE APPLICATIONS UNDER OATH.]

All information required on a license application form must be furnished. The application must be made in writing and under oath. A person authorized to issue licenses has the authority to administer oaths to applicants, and a license may not be issued without actually administering the oath. [98.49 s. 2]

Sec. 70. [97A.485] [ISSUANCE OF LICENSES.]

Subdivision 1. [COMMISSIONER.] The commissioner shall issue and sell licenses. The commissioner shall furnish licenses and applications to agents authorized to issue licenses. [97.4841 s. 2; 97.4842 s. 1; 97.4843 s. 2; 98.49 s. 1; 98.50]

Subd. 2. [COUNTY AUDITORS TO SELL LICENSES.] County auditors are agents of the commissioner for the issuance and sale of licenses. The commissioner may require a county auditor to provide a corporate surety bond in addition to the auditor's official bond. [98.50 s. 1, 2]

Subd. 3. [APPOINTMENT OF SUBAGENTS.] A county auditor may appoint residents to be subagents of the auditor within the county or adjacent counties to issue and sell licenses. The auditor shall notify the commissioner of the name and address of a subagent when appointed. The appointment may be revoked by the auditor at any time, and when directed by the commissioner, the auditor must revoke the appointment. [98.50 s. 1, 5]

Subd. 4. [APPLICATION TO SELL LICENSES BY SUBAGENT.] To be a subagent, a person must apply in writing to an appropriate county auditor in a manner approved by the commissioner. The auditor may require a subagent to provide a bond or pay for licenses before furnishing the licenses. License application forms may only be furnished to subagents in groups of ten or more for resident licenses and five or more for non-resident licenses. [98.50 s. 1, 5, 10]

Subd. 5. [COUNTY AUDITORS RESPONSIBLE FOR LICENSES AND FEES.] (a) The county auditor is responsible for licenses and fees received by the subagents, except in a county that has a population over 150,000 and an area greater than 5,000 square miles and in a county where the county auditor does not retain fees paid for licenses. In these counties the responsibility imposed on the county auditor is imposed on the county. [98.50 s. 1]

(b) The county auditor must promptly deposit all money received from the sale of licenses with the county treasurer. The auditor must promptly submit payments and required reports as required by the commissioner. [98.50 s. 5]

Subd. 6. [LICENSES TO BE SOLD AND ISSUING FEES.] (a) Persons authorized to sell licenses under this section must sell the following licenses for the license fee and the following issuing fees:

(1) to take deer with firearms and by archery, the issuing fee is \$1;

(2) Minnesota sportsman, the issuing fee is \$1; and

(3) to take bear and small game, to take fish by angling or spearing, and to trap fur-bearing animals, the issuing fee is 75 cents.

(b) *An issuing fee for a stamp may not be collected when a stamp is issued simultaneously with the related small game, fishing, or sportsman license. Only one issuing fee may be collected when selling more than one stamp in the same transaction after the end of the season for which the stamp was issued.*

(c) *The auditor or subagent shall keep the issuing fee as a commission for selling the licenses. [98.501]*

(d) *The commissioner shall collect the issuing fee on licenses sold by the commissioner.*

(e) *A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses. [98.50 s. 5]*

Subd. 7. [COUNTY AUDITOR'S COMMISSION.] The county auditor shall retain for the county treasury a commission of four percent of all license fees collected by the auditor and the auditor's subagents, excluding the small game surcharge and issuing fees. In addition, the auditor shall collect the issuing fees on licenses sold by the auditor to a licensee. [98.50 s. 5]

Subd. 8. [REDEMPTION OF UNSOLD LICENSES.] The commissioner must redeem unsold licenses submitted within the redemption time prescribed by the commissioner. Licenses that are not submitted for redemption within the prescribed time are considered to have been sold and the auditor or county to whom the licenses were furnished are accountable for them. A county auditor must refund the license fees prepaid by the auditor's subagent for unsold licenses submitted within a time period established by the commissioner. [98.50 s. 5]

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

(1) to take deer with firearms or by archery; [98.45 s. 1]

(2) to guide bear hunters; and [98.455]

(3) to guide turkey hunters. [98.456]

(b) Paragraph (a) does not apply to deer licenses for discharged military personnel under section 66, subdivision 4. [98.45 s. 1]

(c) A nonresident license or tag to take and possess raccoon, bobcat, Canada lynx, or fox may not be issued after the fifth day of the open season. [98.46 s. 26]

Subd. 10. [RETURN OF UNSOLD DEER AND BEAR LICENSES.] Subagents must return stubs and unsold licenses for the taking of deer to the county auditor on the first business day after the first day of the firearms deer season. Subagents must return stubs and unsold licenses for guiding bear hunters to the county auditor as prescribed by the commissioner. [98.45 s. 1, 98.455]

Subd. 11. [RULES FOR ACCOUNTING AND PROCEDURES.] The commissioner shall prescribe rules for the accounting and procedural requirements necessary to assure the efficient handling of licenses and license fees. The commissioner may, by order, establish standards for the appointment and revocation of subagents to assure the efficient distribution of licenses throughout the state. [98.50 s. 2]

POSSESSION AND TRANSPORTATION OF WILD ANIMALS

Sec. 71. [97A.501] [WILD ANIMALS; GENERAL RESTRICTIONS.]

Subdivision 1. [GENERAL RESTRICTIONS.] A person may not take, buy, sell, transport, or possess a protected wild animal unless allowed by the game and fish laws. The ownership of all wild animals is in the state, unless the wild animal has been lawfully acquired under the game and fish laws. The ownership of a wild animal that is lawfully acquired reverts to the state if a law relating to sale, transportation, or possession of the wild animal is violated. [97.43]

Subd. 2. [ENDANGERED SPECIES.] A person may not take, import, transport, or sell an endangered species of wild animal, or sell, or possess with intent to sell an article made from the parts of a wild animal, except as provided in article 4, section 8. [97.488 s. 1]

Sec. 72. [97A.505] [POSSESSION OF WILD ANIMALS.]

Subdivision 1. [POSSESSION OUTSIDE OF THE SEASON PROHIBITED.] A person may only possess a protected wild animal during the open season and the following five days as prescribed by law, unless otherwise allowed by law or authorized by the commissioner. [97.44 s. 2]

Subd. 2. [POSSESSION OF UNLAWFUL ANIMALS BROUGHT INTO THE STATE PROHIBITED.] A person may not possess a wild animal that has been unlawfully taken, bought, sold, or possessed outside the state, or unlawfully shipped into the state. [97.44 s. 1]

Subd. 3. [PERMIT TO BRING ANIMALS INTO STATE.] Wild animals lawfully taken, bought, sold, or possessed outside the state may be brought or shipped into the state:

- (1) *during the open season and the following five days; or*
- (2) *after obtaining a permit from the commissioner. [97.44 s. 3]*

Subd. 4. [STORAGE OF PROTECTED WILD ANIMALS.] A person that stores protected wild animals must plainly mark the package, in ink, with the name and address of the owner, the license number of the person taking the animal, and the number and species in the package. A person may not use a commercial cold storage warehouse for protected wild animals, except lawfully taken fish and furs. [97.44 s. 4]

Subd. 5. [LICENSE NOT REQUIRED FOR ANIMALS ACQUIRED BY GIFT.] Protected wild animals may be transferred by gift. A person is not required to have a license to possess and transport protected wild animals acquired by gift. If wild animals are transported out of the county where the recipient resides, the recipient must:

- (1) *attach a tag marked in ink, with the name and address of the owner and the license number of the person taking the animals; or*
- (2) *furnish an affidavit showing the name and address of the donor. [97.44 s. 5]*

Subd. 6. [BEAVER AND MUSKRAT PELTS; TAGS REQUIRED.] A licensed tanner must attach a tag or seal prescribed by the commissioner to each beaver or muskrat pelt or hide in possession. [97.44 s. 7]

Subd. 7. [EXCEPTIONS TO THIS SECTION.] This section does not apply to mounted specimens of wild animals, antlers, tanned hides, and dressed furs lawfully taken. [97.44 s. 6]

Sec. 73. [97A.511] [FUR-BEARING ANIMALS.]

The skins of fur-bearing animals and the flesh of beaver, muskrat, raccoon, rabbits and hares, legally taken and bearing the required seals or tags required by the game and fish laws, may be bought, sold, and transported at any time. The flesh of beaver, raccoon, rabbits, and hare may not be transported out of the state. [100.30]

Sec. 74. [97A.515] [PELTS, SKINS, AND HIDES TAKEN ON INDIAN RESERVATIONS.]

The pelts, skins, and hides of protected wild animals taken on an Indian reservation in this state, except the Fond du Lac reservation, may be transported, sold, and disposed of as prescribed by the commissioner. [100.303]

Sec. 75. [97A.521] [TRANSPORTATION OF WILD ANIMALS; GENERALLY.]

Subdivision 1. [GENERAL AUTHORITY; RESIDENTS.] A resident may transport wild animals to any place in the state if the resident and the animals are in the same vehicle. [97.45 s. 3]

Subd. 2. [GENERAL AUTHORITY; NONRESIDENTS.] A nonresident may transport wild animals taken in the state if the nonresident and the animals are in the same vehicle. [97.45 s. 6, 7]

Subd. 3. [WILD ANIMALS IN CONTAINERS.] A person that transports wild animals in a container must mark or identify the container as prescribed under the game and fish laws or by commissioner's order. [97.45 s. 1]

Subd. 4. [ANIMALS THAT MAY BE LAWFULLY SOLD.] During the open season a person may transport a protected wild animal within the state, and to a destination outside the state, if the animal may be lawfully sold and the transportation is not otherwise prohibited. [97.45 s. 2]

Subd. 5. [UNLAWFUL WILD ANIMALS PROHIBITED.] A person may not transport wild animals taken, bought, sold, or possessed in violation of the game and fish laws. [97.45 s. 1]

Sec. 76. [97A.525] [TRANSPORTATION OF WILD ANIMALS BY COMMON CARRIER.]

Subdivision 1. [RESIDENTS.] A resident may transport wild animals within the state by common carrier without being in the vehicle if the resident has the license required to take the animals and they are shipped to the resident. The wild animals that may be transported by common carrier are:

- (1) deer, bear, and moose;
- (2) undressed game birds; and
- (3) fish. [97.45 s. 4]

Subd. 2. [NONRESIDENTS.] A nonresident may transport wild animals by common carrier without being in the vehicle if the nonresident has the license required to take the animals and they are shipped to the nonresident. [97.45 s. 6, 7]

Subd. 3. [EMPLOYEE OF CARRIER.] An employee of a carrier may not transport wild animals as baggage while performing duties for the carrier. [97.45 s. 3]

Subd. 4. [STATEMENT REQUIRED FOR PROTECTED WILD ANIMALS.] A person that transports protected wild animals by common carrier, including animals carried in baggage, must attach a statement to each shipment. The statement must include the name, address, and license number of the person shipping the animals, the number and species of the animals in the shipment, and the signature of the licensee. [97.45 s. 3, 12]

Subd. 5. [CARRIER MUST BE SHOWN SHIPPER'S LICENSE.] A common carrier may not accept a shipment of big or small game unless the carrier is shown the license of the shipper to take the game. [97.45 s. 11]

Subd. 6. [WAYBILL MUST SPECIFY ANIMALS.] The waybill or receipt issued by a common carrier to a shipper must specify the number and species of wild animals being shipped. [97.45 s. 14]

Subd. 7. [ANIMALS IN POSSESSION OF SHIPPER.] Wild animals that are transported by common carrier are considered to be in the possession of the shipper. [97.45 s. 7(a), 10]

Sec. 77. [97A.531] [SHIPMENT OF WILD ANIMALS TAKEN IN CANADA.]

A person may ship, within or out of the state, wild animals lawfully taken and possessed in Canada and that have lawfully entered the state. The shipment must have the shipping coupons required for a shipment originating in the province where the animals were taken. Fish that are lawfully taken and possessed in Canada may be brought into the state for filleting and packing and may be transported within the state or out of the state. [97.-45 s. 8]

Sec. 78. [97A.535] [POSSESSION AND TRANSPORTATION OF DEER, BEAR, AND MOOSE.]

Subdivision 1. [TAGS REQUIRED.] A person may not possess or transport deer, bear, or moose taken in the state unless a tag is attached to the carcass in a manner prescribed by the commissioner. The commissioner must prescribe the type of tag that has the license number of the owner, the year of its issue, and other information prescribed by the commissioner. The tag must be attached to the deer, bear, or moose when:

(1) the animal is in a camp, or a place occupied overnight or the yard surrounding the place; or

(2) *the animal is on a motor vehicle.* [98.46 s. 22]

Subd. 2. [DEER TAKEN BY ARCHERY AND MOOSE MUST HAVE ADDITIONAL TAG.] *Deer taken by archery and moose must be tagged as prescribed by the commissioner, in addition to the tag required in subdivision 1.* [98.46 s. 22]

Subd. 3. [TRANSPORTATION PERIOD RESTRICTED.] *A person may transport one deer, one bear, or one moose during the open season and the two days following the season, and afterwards as prescribed by the commissioner.* [97.45 s. 1, 7]

Subd. 4. [TRANSPORTATION BY PERSON OTHER THAN LICENSEE.] *A person other than the licensee may transport deer, bear, or moose that the licensee has registered as prescribed by the commissioner. The person must transport the animal by the most direct route. A tag must be attached to the animal and marked in ink with the address, license number, signature of the licensee, and the locations from which and to which the animal is being transported.* [97.45 s. 4a]

Subd. 5. [HEADS, HIDES, AND CLAWS.] *A resident that has a license to take deer, bear, or moose may transport the head or hide of the animal within or out of the state for mounting or tanning. The hides of deer, bear, and moose, and the claws of bear legally taken and with the tags that are required by this section, may be bought, sold, and transported at any time.* [97.45 s. 3, 4, 100.30]

Sec. 79. [97A.541] [NONRESIDENT: SMALL GAME TAGS.]

A nonresident may not possess or transport a raccoon, bobcat, Canada lynx, or fox taken in this state without a tag attached to the animal. The commissioner shall prescribe, by order, the type of tag and the number of tags to be issued with each nonresident raccoon, bobcat, Canada lynx, or fox license and shall furnish the tags with the licenses to be issued. [98.46 s. 26]

Sec. 80. [97A.545] [TRANSPORTATION OF GAME BIRDS.]

Subdivision 1. [RESIDENTS SHIPPING BY COMMON CARRIER.] *A resident that ships undressed game birds to the resident by common carrier without being in the vehicle may not make more than three shipments during a license year. A shipment may not contain more than the resident's daily limit.* [97.45 s. 4]

Subd. 2. [NONRESIDENTS SHIPPING BY COMMON CARRIER.] *A nonresident that ships undressed game birds to*

the nonresident by common carrier without being in the vehicle must obtain a shipping permit from the commissioner. The commissioner shall issue the permit upon request, without a fee. The carrier receiving the shipment must cancel the permit as prescribed by the commissioner. [97.45 s. 7b]

Subd. 3. [SHIPPING TO OTHER PERSONS.] A person must obtain a permit from the commissioner to ship game birds to another person within or out of the state. The person must have the licenses required to take the game birds. [97.45 s. 9]

Subd. 4. [UNDRESSED GAME BIRDS TAKEN IN ADJACENT STATES.] A person may transport into the state dressed game birds that are lawfully taken and possessed in adjacent states. A resident may ship the undressed game birds by common carrier within the state. A nonresident may ship the undressed game birds out of the state by common carrier. Each shipment must be tagged or sealed by a conservation officer as prescribed by the commissioner. [97.45 s. 9]

Sec. 81. [97A.551] [TRANSPORTATION OF FISH.]

Subdivision 1. [NONRESIDENTS SHIPPING BY COMMON CARRIER.] (a) A nonresident that ships fish to the nonresident by common carrier without being in the vehicle may only make one shipment of fish during a license year. The shipment may contain one of the following:

- (1) one undressed fish of any size;*
- (2) 25 pounds or less of undressed fish; or*
- (3) 15 pounds or less of filleted or dressed game fish. [97.45 s. 6(1)]*

(b) The nonresident must obtain a shipping permit from the commissioner. The commissioner shall issue a shipping permit upon request, without a fee. The carrier receiving the shipment must cancel the permit as prescribed by the commissioner. [97.45 s. 6(1)]

(c) For shipments of filleted or dressed game fish under this subdivision, the statement required under section 76, subdivision 4, must include the net weight of the fish. [97.45 s. 6]

Subd. 2. [FISH TRANSPORTED THROUGH STATE.] A person may not transport game fish taken in another state or country through the state during the closed season or in excess of the possession limit unless the fish are:

- (1) transported by common carrier; or*

(2) tagged, sealed, or marked as prescribed by the commissioner. [97.45 s. 13]

Subd. 3. [SHIPPING ONE FISH TO ANY PERSON.] A person that has a license to take fish may ship one fish to any person within or out of the state after obtaining a permit from the commissioner. [97.45 s. 9]

ARTICLE 2

CHAPTER 97B

HUNTING

HUNTING RESTRICTIONS AND REQUIREMENTS

Section 1. [97B.001] [TRESPASS.]

Subdivision 1. [AGRICULTURAL LAND DEFINITION.] For purposes of this section, "agricultural land" means land:

- (1) that is plowed or tilled;
- (2) that has standing crops or crop residues; or
- (3) within a maintained fence for enclosing domestic livestock. [100.273 s. 1]

Subd. 2. [PERMISSION REQUIRED TO ENTER AGRICULTURAL LAND TO HUNT OR OPERATE VEHICLES.] Except as provided in subdivisions 5 and 6, a person may not enter agricultural land to hunt or operate a motor vehicle for pleasure purposes, unless the person obtains permission of the owner, occupant, or lessee. [100.273 s. 2]

Subd. 3. [ENTERING LAND PROHIBITED AFTER NOTICE.] Except as provided in subdivisions 5 and 6, a person may not enter any land to take a wild animal after being notified not to do so orally by the owner, occupant, or lessee. [100.273 s. 3]

Subd. 4. [ENTERING POSTED LAND PROHIBITED; SIGNS.] (a) Except as provided in subdivision 6, a person may not enter any land that is posted under this subdivision to take a wild animal unless the person has obtained the permission of the owner, occupant, or lessee. [100.273 s. 3]

(b) The owner, occupant, or lessee of private land, or an authorized manager of public land may prohibit unauthorized hunting, trapping, fishing, or trespassing on the land by posting signs that:

- (1) display letters at least two inches high;

(2) are signed by the owner, occupant, lessee, or authorized manager; and

(3) are at intervals of 1,000 feet or less along the boundary of the area, or in a wooded area where boundary lines are not clear, at intervals of 500 feet or less.

(c) A person may not erect a sign that states "no hunting," "no trapping," "no fishing," "no trespassing," or another sign that prohibits trespass on land or water where the person does not have a property right, title, or interest to use the land. [100.273 s. 6]

Subd. 5. [RETRIEVING WOUNDED GAME FROM AGRICULTURAL LAND.] A hunter, on foot, may retrieve wounded game, during the open season for the game, from agricultural land that is not posted under subdivision 4, without permission of the landowner. The hunter must leave the land immediately after retrieving the wounded game. [100.273 s. 7]

Subd. 6. [RETRIEVING DOGS FROM PRIVATE LAND.] A person may, without permission of the landowner, enter private land on foot to retrieve a dog that has treed or is at bay with a raccoon, bobcat, coyote, or fox. After retrieving the dog, the person must immediately leave the premises. [100.273 s. 7]

Subd. 7. [TAKING WITH FIREARMS IN CERTAIN AREAS.] (a) A person may not take a wild animal with a firearm within 500 feet of a building occupied by a human or livestock without the written permission of the owner or occupant:

- (1) on another person's private agricultural land; or
- (2) on a public right-of-way.

(b) A person may not take a wild animal with a firearm without the written permission of the owner within 500 feet of a stockade or corral containing livestock.

(c) A person may not take a wild animal with a firearm:

(1) on land other than agricultural land within 200 feet of a building occupied by a human without the oral permission of the owner or occupant of the building; or [100.273 s. 5]

(2) within 500 feet of a burning area.

Subd. 8. [DESTRUCTION OF PROPERTY; GATE CLOSING.] A person may not:

- (1) *wound or kill another person's domestic animal;*
- (2) *destroy, cut, or tear down another person's fence, building, grain, crops, live tree, or sign erected under subdivision 4; or*
- (3) *pass through another person's closed gate without returning the gate to its original position. [100.273 s. 4]*

Sec. 2. [97B.005] [TRAINING DOGS.]

Subdivision 1. [FIELD TRAINING; PERMIT REQUIRED FOR CERTAIN PERIOD.] A person may not train hunting dogs afield from April 16 to July 14 except by special permit. The commissioner may issue a special permit, without a fee, to train hunting dogs afield on land owned by the trainer or on land that the owner provides written permission. The written permission must be carried in personal possession of the trainer while training the dogs. [98.48 s. 13, 100.29 s. 20]

Subd. 2. [RESTRICTION ON AMMUNITION WHILE TRAINING.] A person that is training a dog afield and carrying a firearm may only have blank cartridges and shells in personal possession when the season is not open for any game bird. [100.29 s. 20]

Subd. 3. [PERMITS FOR ORGANIZATIONS TO USE GAME BIRDS AND FIREARMS.] The commissioner may issue special permits, without a fee, to organizations to use firearms and live ammunition on domesticated birds or banded game birds from game farms for holding field trials and training retrieving dogs. [98.48 s. 2]

Subd. 4. [USE OF RACCOONS.] The commissioner may issue special permits, without a fee, to possess one raccoon to train dogs for raccoon hunting. [98.48 s. 7]

Sec. 3. [97B.011] [DOGS PURSUING BIG GAME.]

A dog that is known to have killed or is observed wounding, killing, or pursuing in a manner that endangers big game may be killed by a peace officer or conservation officer, or, between January 1 and July 14, by any person. The officer or person is not liable for damages for killing the dog. [100.29 s. 19]

Sec. 4. [97B.015] [FIREARM SAFETY COURSE.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall make rules establishing a statewide course in the safe use of firearms. At least one course must be held within the boundary of each school district. The courses must be conducted by the commissioner in cooperation with other organizations. The

courses must instruct youths in commonly accepted principles of safety in hunting and handling common hunting firearms. [97.81 s. 1]

Subd. 2. [ADMINISTRATION, SUPERVISION, AND ENFORCEMENT.] (a) The commissioner shall appoint a qualified person from the enforcement division under civil service rules as supervisor of hunting safety and prescribe the duties and responsibilities of the position. The commissioner shall determine and provide the enforcement division with the necessary personnel for this section.

(b) The commissioner may appoint one or more county directors of hunting safety in each county. An appointed county director is responsible to the enforcement division. The enforcement division may appoint instructors necessary for this section. County directors and instructors shall serve on a voluntary basis without compensation. The enforcement division must supply the materials necessary for the course. [97.82, 97.85 s. 1]

Subd. 3. [LIABILITY INSURANCE.] The commissioner shall obtain insurance to cover all liability incurred by the county directors and instructors for bodily injury, death, and property damage in the performance of their duties under this section. [97.85 s. 2]

Subd. 4. [STUDENT FEE.] To defray the expense of the course, the enforcement division shall collect a fee not to exceed \$5 from each person that takes the firearm safety course. [97.85 s. 1]

Subd. 5. [FIREARMS SAFETY CERTIFICATE.] The commissioner shall issue a firearms safety certificate to a person that satisfactorily completes the required course of instruction. A certificate may not be issued to a person under age 12. A person that is age 11 may take the firearms safety course and may receive a firearms safety certificate at age 12. The form and content of the firearms safety certificate shall be prescribed by the commissioner. [97.81 s. 2, 97.83 s. 1]

Sec. 5. [97B.021] [POSSESSION OF FIREARMS BY PERSONS UNDER AGE 16.]

Subdivision 1. [RESTRICTIONS.] (a) Except as provided in this subdivision, a person under the age of 16 may not possess a firearm, unless accompanied by a parent or guardian. [97.83 s. 1]

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

(1) on land owned by, or occupied as the principal residence of, the person or the person's parent or guardian;

(2) while participating in an organized target shooting program with adult supervision;

(3) while the person is participating in a firearms safety program or traveling to and from class; or

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

(c) For purposes of this section a guardian is a legal guardian or a person age 18 or older that has been authorized by the parent or legal guardian to supervise the person under age 16. [97.83 s. 1]

Subd. 2. [SEIZURE OF UNLAWFULLY POSSESSED FIREARMS.] A law enforcement officer shall seize a firearm used in violation of this section. The officer must tag the seized firearm with the name and address of the person from whom it was taken and give the person a receipt. The firearm shall be placed in the custody of the conservation officer in charge of the area where the seizure was made. [97.83 s. 2]

Subd. 3. [RETURN OR FORFEITURE OF SEIZED FIREARMS.] A firearm seized under this section must be returned to the person from whom it was seized when the person presents a firearms safety certificate to the conservation officer. The person must present the certificate within 90 days after the beginning of the first firearms training course in the county after the firearm was seized. If the person does not present a certificate, the firearm is contraband and forfeited to the state, and shall be disposed of as prescribed by the commissioner. [97.83 s. 3]

Sec. 6. [97B.025] [ADVANCED HUNTER EDUCATION.]

The commissioner may establish advanced education courses for hunters and trappers. The commissioner, with the approval of the commissioner of finance, may impose a fee not to exceed \$10 for each person attending an advanced education course. The commissioner shall establish the fee under section 16A.128. [97.851]

Sec. 7. [97B.031] [USE AND POSSESSION OF FIREARMS.]

Subdivision 1. [FIREARMS AND AMMUNITION THAT MAY BE USED TO TAKE BIG GAME.] (a) A person may take big game with a firearm only if:

(1) *the rifle, shotgun, and handgun used is a caliber of at least .23 inches;*

(2) *the firearm is loaded only with single projectile ammunition;*

(3) *a projectile used is a caliber of at least .23 inches and has a soft point or is an expanding bullet type;*

(4) *the ammunition has a case length of at least 1.285 inches;*

(5) *the muzzle-loader used is incapable of being loaded at the breech;*

(6) *the smooth-bore muzzle-loader used is a caliber of at least .45 inches; and*

(7) *the rifled muzzle-loader used is a caliber of at least .40 inches.*

(b) *A person may not take big game with a .30 caliber M-1 carbine cartridge. [100.29 s. 9]*

Subd. 2. [HANDGUNS FOR SMALL GAME.] A person may take small game with a handgun of any caliber in a manner prescribed by the commissioner. [100.29 s. 2]

Subd. 3. [FIREARMS LARGER THAN TEN GAUGE PROHIBITED.] A person may not use a firearm with a bore larger than a ten gauge to take a protected wild animal. [100.29 s. 2]

Subd. 4. [SILENCERS PROHIBITED.] A person may not own or possess a silencer for a firearm or a firearm equipped to have a silencer attached. [100.29 s. 4]

Sec. 8. [97B.035] [RESTRICTIONS ON ARCHERY EQUIPMENT.]

Subdivision 1. [HUNTING WITH BOWS RELEASED BY MECHANICAL DEVICES.] A person may not hunt with a bow drawn, held, or released by a mechanical device, except with a disabled hunter permit issued under section 29. [100.29 s. 7, 26]

Subd. 2. [POSSESSION OF CROSSBOWS.] A person may not possess a crossbow outdoors or in a motor vehicle during the open season for any game, unless the crossbow is unstrung, and in a case or in a closed trunk of a motor vehicle. [100.29 s. 26]

Subd. 3. [POISONED AND EXPLOSIVE ARROWS.] A person may not hunt with an arrow that is poisoned or has an explosive tip. [100.29 s. 7]

Sec. 9. [97B.041] [POSSESSION OF FIREARMS AND AMMUNITION RESTRICTED IN DEER ZONES.]

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

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

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

(3) a shotgun and only shells containing shot;

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

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

(6) on a target range operated under a permit from the commissioner. [100.29 s. 3]

Sec. 10. [97B.045] [TRANSPORTATION OF FIREARMS.]

A person may not transport a firearm in a motor vehicle unless the firearm is:

(1) unloaded and in a gun case expressly made to contain a firearm, and the case fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened, and without any portion of the firearm exposed;

(2) unloaded and in the closed trunk of a motor vehicle; or

(3) a handgun carried in compliance with sections 624.714 and 624.715. [100.29 s. 5]

Sec. 11. [97B.051] [TRANSPORTATION OF ARCHERY BOWS.]

A person may not transport an archery bow in a motor vehicle unless the bow is:

- (1) *unstrung;*
- (2) *completely contained in a case; or*
- (3) *in the closed trunk of a motor vehicle.* [100.29 s. 5]

Sec. 12. [97B.055] [DISCHARGING FIREARMS AND BOWS AND ARROWS.]

Subdivision 1. [RESTRICTIONS RELATED TO HIGHWAYS.] A person may not discharge a firearm or an arrow from a bow on, over, or across an improved public highway at a big game animal. A person may not discharge a firearm or bow and arrow within the right-of-way of an improved public highway at a big game animal. The commissioner may by order extend the application of this subdivision to the taking of migratory waterfowl in designated locations. [100.31]

Subd. 2. [RESTRICTIONS RELATED TO MOTOR VEHICLE.] A person may not take a wild animal with a firearm or by archery from a motor vehicle except as permitted in this section. [100.29 s. 5]

Subd. 3. [HUNTING FROM VEHICLES BY DISABLED HUNTERS.] The commissioner may issue a special permit, without a fee, to discharge a firearm or bow and arrow from a stationary motor vehicle to a licensed hunter that is physically unable to walk with or without crutches, braces, or other mechanical support. A person with a temporary disability may be issued an annual permit and a person with a permanent disability may be issued a permanent permit. [98.48 s. 12]

Subd. 4. [TAKING BOUNTY ANIMALS FROM AIRPLANES AND SNOWMOBILES.] The commissioner may issue a special permit, without fee, to take animals that the state pays a bounty for, from an airplane or a snowmobile. [98.48 s. 10]

Sec. 13. [97B.061] [REPORTS AND RECORDS.]

If requested by the commissioner, a person who has taken game must submit a report to the commissioner on a furnished form before February 1, stating the number and kind of each game animal taken during the preceding calendar year. [98.51 s. 1]

Sec. 14. [97B.065] [HUNTING WHILE INTOXICATED OR USING NARCOTICS PROHIBITED.]

A person may not take protected wild animals with a firearm or by archery while visibly intoxicated or under the influence of narcotics. [100.29 s. 6]

Sec. 15. [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. [100.29 s. 8]

Sec. 16. [97B.075] [HUNTING RESTRICTED BETWEEN EVENING AND MORNING.]

A person may not take protected wild animals, except raccoon and fox, with a firearm or by archery between the evening and morning times established by commissioner's order. [100.29 s. 1]

Sec. 17. [97B.081] [USING ARTIFICIAL LIGHTS TO LOCATE ANIMALS.]

Subdivision 1. [WITH FIREARMS AND BOWS.] (a) A person may not cast the rays of a spotlight, headlight, or other artificial light on a highway, or in a field, woodland, or forest, to spot, locate, or take a wild animal, while having in possession, either individually or as one of a group of persons, a firearm, bow, or other implement that could be used to kill big game.

(b) This subdivision does not apply to a firearm that is:

(1) unloaded;

(2) in a gun case expressly made to contain a firearm that fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened without any portion of the firearm exposed; and

(3) in the closed trunk of a motor vehicle.

(c) This subdivision does not apply to a bow that is:

(1) completely encased or unstrung; and

(2) in the closed trunk of a motor vehicle.

(d) If the motor vehicle under paragraph (b) or (c) does not have a trunk, the firearm or bow must be placed in the rear-most location of the vehicle. [100.29 s. 10]

Subd. 2. [WITHOUT FIREARMS.] Between the hours of 10:00 p.m. and 6:00 a.m. from September 1 to December 31, a person may not cast the rays of a spotlight, headlight, or other artificial light in a field, woodland, or forest to spot, locate, or take a wild animal except to take raccoons under section 46, subdivision 3. It is not a violation of this subdivision for a person to carry out any agricultural, occupational, or recreational practice, including snowmobiling that is not related to spotting, locating or taking a wild animal. [100.29 s. 9a]

Sec. 18. [97B.085] [USE OF RADIOS TO TAKE ANIMALS.]

Subdivision 1. [TAKING PROTECTED ANIMALS PROHIBITED.] A person may not use radio equipment to take a protected wild animal. [100.29 s. 27]

Subd. 2. [TAKING UNPROTECTED WILD ANIMALS; PERMIT REQUIRED.] A person may not use radio equipment to take unprotected wild animals without a permit. The commissioner may issue a permit to take unprotected animals with radio equipment. The commissioner shall cancel the permit upon receiving a valid complaint of misconduct regarding the permittee's hunting activities. [100.29 s. 27]

Sec. 19. [97B.091] [USE OF MOTOR VEHICLES TO CHASE WILD ANIMALS PROHIBITED.]

A person may not use a motor vehicle to intentionally drive, chase, run over, kill, or take a wild animal. [100.26 s. 1, 100.29 s. 28, 29]

Sec. 20. [97B.095] [DISTURBING BURROWS AND DENS.]

A person may not disturb the burrow or den of a wild animal between November 1 and April 1 without a permit. [100.29 s. 24]

Sec. 21. [97B.101] [HUNTING WITH FERRETS PROHIBITED.]

A person may not take a protected wild animal with the aid of a ferret. [100.29 s. 23]

Sec. 22. [97B.105] [HUNTING BY FALCONRY.]

A person may take a protected wild animal by falconry under rules prescribed by the commissioner. [100.27 s. 8]

BIG GAME

Sec. 23. [97B.201] [NO OPEN SEASON FOR ELK, CARIBOU, AND ANTELOPE.]

There may not be an open season on elk, caribou, or antelope. [100.27 s. 1]

Sec. 24. [97B.205] [USE OF DOGS AND HORSES TO TAKE BIG GAME PROHIBITED.]

A person may not use a dog or horse to take big game. [100.-29 s. 14]

Sec. 25. [97B.211] [HUNTING BIG GAME BY ARCHERY.]

Subdivision 1. [POSSESSION OF FIREARMS PROHIBITED.] A person may not take big game by archery while in possession of a firearm. [100.29 s. 7]

Subd. 2. [ARROWHEAD REQUIREMENTS.] Arrowheads used for taking big game must be sharp and barbless and have a single two-edged blade at least one inch wide, or three or more blades at least three inches in circumference. The arrowhead must be made of:

- (1) *hickory steel and weigh at least 110 grains; or*
- (2) *mill-tempered spring steel with a plastic core or ferrule and weigh at least 90 grains.* [100.29 s. 7]

DEER

Sec. 26. [97B.301] [DEER LICENSES AND LIMITS.]

Subdivision 1. [LICENSES REQUIRED.] A person may not take deer without a license. A person must have a firearms deer license to take deer with firearms and an archery deer license to take deer by archery except as provided in this section. [98.45 s. 1, 100.272]

Subd. 2. [LIMIT OF ONE DEER.] Except as provided in subdivisions 3 and 4, a person may obtain one firearms deer license and one archery deer license in the same license year, but may take only one deer. [100.272]

Subd. 3. [PARTY HUNTING.] If two or more persons with licenses to take deer by firearms, or two or more persons with licenses to take deer by archery, are hunting as a party, a

member of the party may take more than one deer, but the total number of deer taken by the party may not exceed the number of persons licensed to take deer in the party. [100.272]

Subd. 4. [EXPERIMENTAL TWO DEER.] The commissioner may, by order, allow a person to take two deer during each of the 1986 and 1987 calendar years. The commissioner shall prescribe the conditions for taking the second deer including:

(1) taking by firearm or archery;

(2) obtaining an additional license; and

(3) payment of a fee not more than the fee for a firearms deer license. [100.281]

Sec. 27. [97B.305] [COMMISSIONER MAY LIMIT NUMBER OF DEER HUNTERS.]

The commissioner may limit the number of persons that may hunt deer in an area if it is necessary to prevent an over-harvest or improve the distribution of hunters. The commissioner may, by order, establish a method, including a drawing, to impartially select the hunters for an area. The commissioner shall give preference to hunters that have previously applied and have not been selected. [97.48 s. 24]

Sec. 28. [97B.311] [DEER SEASONS AND RESTRICTIONS.]

The commissioner may, by order, prescribe restrictions and designate areas where deer may be taken. The commissioner may, by order, prescribe the open seasons for deer within the following periods:

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

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

(3) taking by archery between September 1 and December 31. [100.27 s. 2]

Sec. 29. [97B.315] [CROSSBOW PERMITS]

The commissioner may issue a special permit, without a fee, to take deer with a crossbow to a person that is unable to hunt in another manner because of a permanent physical disability. The disability, established by medical evidence, and the

inability to hunt in another manner must be verified in writing by a licensed physician. The person must obtain an archery deer license. The crossbow must:

- (1) *be fired from the shoulder;*
- (2) *deliver at least 42 foot-pounds of energy at a distance of ten feet;*
- (3) *have a stock at least 30 inches long;*
- (4) *have a working safety; and*
- (5) *be used with arrows or bolts of at least ten inches long with a broadhead. [98.48 s. 16]*

Sec. 30. [97B.321] [SNARES, TRAPS, SET GUNS, AND SWIVEL GUNS PROHIBITED.]

A person may not take deer with the aid of a snare, trap, set gun, or swivel gun. [100.29 s. 12]

Sec. 31. [97B.325] [DEER STAND RESTRICTIONS.]

A person may not take deer from a man-made platform or other structure higher than nine feet above the ground. The restriction does not apply to a portable stand that is chained, belted, clamped, or tied with rope. [100.29 s. 14]

BEAR

Sec. 32. [97B.401] [BEAR LICENSE REQUIRED.]

A person may not take bear without a bear license except as provided in section 35 to protect property. [98.45 s. 1]

Sec. 33. [97B.405] [COMMISSIONER MAY LIMIT NUMBER OF BEAR HUNTERS.]

The commissioner may limit the number of persons that may hunt bear in an area, if it is necessary to prevent an overharvest or improve the distribution of hunters. The commissioner may establish, by order, a method, including a drawing, to impartially select the hunters for an area. The commissioner shall give preference to hunters that have previously applied and have not been selected. [97.48 s. 24, 100.27 s. 2, 9]

Sec. 34. [97B.411] [BEAR SEASON AND RESTRICTIONS.]

The commissioner may, by order, prescribe the open season and the areas and restrictions for the taking of bear. [100.27 s. 2, 9]

Sec. 35. [97B.415] [TAKING BEAR TO PROTECT PROPERTY.]

A person may take a bear at any time to protect the person's property. The person must report the bear taken to a conservation officer within 48 hours. The bear may be disposed of as prescribed by the commissioner. [100.27 s. 9]

Sec. 36. [97B.421] [PERMIT REQUIRED TO SNARE BEARS.]

A person may not use a snare to take a bear except under a permit from the commissioner. [100.29 s. 13]

Sec. 37. [97B.425] [BAITING BEARS.]

A person placing bait to take bear must display a tag at each site where bait is placed and register the sites. The commissioner shall prescribe the method of tagging and registering the sites. A person may not use solid waste containing bottles, cans, plastic, paper, metal, or other materials that are not readily biodegradable as a bait to attract bear. [100.29 s. 31]

Sec. 38. [97B.431] [BEAR HUNTING GUIDES.]

A person may not place bait for bear, or guide hunters to take bear, for compensation without a bear hunting guide license. A bear hunting guide is not required to have a license to take bear unless the guide is attempting to shoot a bear. The commissioner shall adopt rules for qualifications for issuance and administration of the licenses. [98.455]

MOOSE

Sec. 39. [97B.501] [MOOSE LICENSE REQUIRED.]

A person may not take moose without a moose license. [98.45 s. 1]

Sec. 40. [97B.505] [MOOSE SEASON AND RESTRICTIONS.]

The commissioner may, by order, prescribe the open season and the areas and conditions for the taking of moose. [100.27 s. 2]

Sec. 41. [97B.511] [MOOSE STAND RESTRICTIONS.]

A person may not take moose from a man-made platform or other structure higher than nine feet above the ground. The restriction does not apply to a portable stand that is chained, belted, clamped, or tied with rope. [100.29 s. 14]

SMALL GAME

Sec. 42. [97B.601] [SMALL GAME LICENSES.]

Subdivision 1. [REQUIREMENT.] A person may not take small game without a small game license except as provided in subdivision 4. [98.47 s. 6]

Subd. 2. [TRAPPING SMALL GAME.] A person may not take small game with traps without a trapping license and a small game license except as provided in subdivision 4. [98.47 s. 6]

Subd. 3. [NONRESIDENTS: RACCOON, BOBCAT, FOX, COYOTE, CANADA LYNX.] A nonresident may not take raccoon, bobcat, fox, coyote, or Canada lynx without a separate license to take that animal in addition to a small game license. [98.46 s. 14]

Subd. 4. [EXCEPTION TO LICENSE REQUIREMENTS.] (a) A resident under age 16 may take small game without a small game license, and a resident under age 13 may trap without a trapping license, as provided in article 1, section 63, subdivision 3.

(b) A person may take small game without a small game license on land occupied by the person as a principal residence.

(c) An owner or occupant may take certain small game causing damage without a small game or trapping license as provided in section 53. [98.47 s. 1, 10, 100.27 s. 7]

Sec. 43. [97B.605] [COMMISSIONER MAY RESTRICT TAKING OF CERTAIN SMALL GAME ANIMALS.]

The commissioner may prescribe restrictions on and designate areas where gray and fox squirrels; cottontail and jack rabbits; snowshoe hare; raccoon; lynx; bobcat; fox; fishers; and badger may be taken and possessed. [100.27 s. 3]

Sec. 44. [97B.611] [SQUIRRELS.]

Subdivision 1. [SEASONS FOR GRAY AND FOX SQUIRRELS.] The statewide open season for gray and fox squirrels may be prescribed by the commissioner between October 15 and December 31. The commissioner may prescribe areas with additional open seasons. [100.27 s. 3]

Subd. 2. [FIRE AND SMOKE PROHIBITED.] A person may not set fire to a tree or use smoke to take squirrels. [100.29 s. 15]

Sec. 45. [97B.615] [RABBIT AND HARE SEASON.]

The statewide open season for cottontail, jack rabbits, and snowshoe hare may be prescribed by the commissioner between September 16 and March 1. [100.27 s. 3]

Sec. 46. [97B.621] [RACCOONS.]

Subdivision 1. [SEASON.] The statewide open season for raccoon may be prescribed by the commissioner between October 15 and December 31. [100.27 s. 3]

Subd. 2. [PERIOD FOR TREEING RACCOONS.] Notwithstanding subdivision 1, a person may use dogs to pursue and tree raccoons without killing or capturing the raccoons from January 1 to April 15 and July 15 to October 14. [100.27 s. 3]

Subd. 3. [NIGHTTIME HUNTING RESTRICTIONS.] To take raccoons between sunset and sunrise, a person:

- (1) must be on foot;*
- (2) may use an artificial light only if hunting with dogs;*
- (3) may not use a rifle other than one of a .22 inch caliber with .22 short, long, or long rifle, rimfire ammunition; and*
- (4) may not use shotgun shells with shot larger in diameter than No. 4 shot. [100.29 s. 10]*

Subd. 4. [PROHIBITED METHODS OF TAKING.] A person may not take a raccoon:

- (1) in a den or hollow tree;*
- (2) by cutting down a tree occupied by raccoon; or*
- (3) by setting fire to a tree or using smoke. [100.29 s. 15]*

Sec. 47. [97B.625] [LYNX AND BOBCAT.]

Subdivision 1. [SEASON.] Based upon population estimates, the commissioner may set the open season for lynx or bobcat. [100.27 s. 3]

Subd. 2. [PERMIT REQUIRED TO SNARE.] A person may not use a snare to take lynx or bobcat except under a permit from the commissioner. [100.29 s. 13]

Sec. 48. [97B.631] [FOX.]

Subdivision 1. [RESTRICTIONS ON TAKING.] A person may not remove a fox from a den or trap fox within 300 feet of a fox den from April 1 to August 31. [100.27 s. 3]

Subd. 2. [PERMIT REQUIRED TO SNARE.] A person may not use a snare to take fox except under a permit from the commissioner. [100.29 s. 13]

Sec. 49. [97B.635] [FISHER; BADGER; OPPOSSUM; AND PINE MARTEN.]

Based upon population estimates, the commissioner may set the open season for fisher, badger, opossum, and pine marten. [100.27 s. 3]

Sec. 50. [97B.641] [COUGAR AND WOLVERINE.]

There is no open season for cougar or wolverine. [100.27 s. 1]

Sec. 51. [97B.645] [WOLVES.]

Subdivision 1. [USE OF DOGS AND HORSES PROHIBITED.] A person may not use a dog or horse to take a timber wolf. [100.29 s. 14]

Subd. 2. [PERMIT REQUIRED TO SNARE.] A person may not use a snare to take a wolf except under a permit from the commissioner. [100.29 s. 13]

Sec. 52. [97B.651] [UNPROTECTED MAMMALS.]

Mammals that are unprotected wild animals may be taken at any time and in any manner, except with artificial lights, or by using a motor vehicle in violation of section 19. Poison may not be used to take unprotected mammals unless the safety of humans and domestic livestock is ensured. Unprotected mammals may be possessed, bought, sold, or transported in any quantity. [100.26 s. 1, 3]

Sec. 53. [97B.655] [TAKING ANIMALS CAUSING DAMAGE.]

Subdivision 1. [OWNERS AND OCCUPANTS MAY TAKE CERTAIN ANIMALS.] A person may take mink, squirrel, rabbit, hare, raccoon, lynx, bobcat, fox, or beaver on land owned or occupied by the person where the animal is causing damage. The person may take the animal without a license and in any manner except by poison, or artificial lights in the closed season. Raccoons may be taken under this subdivision with artificial lights during open season. A person that kills mink, raccoon, lynx, bobcat, fox, or beaver under this subdivision must bring the entire animal to a conservation officer or employee of the division within 24 hours after the animal is killed. [100.27 s. 7]

Subd. 2. [SPECIAL PERMIT FOR TAKING PROTECTED WILD ANIMALS.] The commissioner may issue special per-

mits under article 1, section 53, subdivision 5, to take protected wild animals that are damaging property. A person must have the required license and seals to take beaver under the permit. [98.48 s. 5]

Sec. 54. [97B.661] [REMOVAL OF BEAVER FROM STATE LANDS.]

The commissioner may remove beaver at state expense from state land if the county board where the land is located adopts a resolution requesting the removal. [97.56]

Sec. 55. [97B.665] [IMPAIRMENT OF DRAINAGE BY BEAVER DAMS.]

Subdivision 1. [AGREEMENT BY COUNTY BOARD, LANDOWNER, AND COMMISSIONER.] (a) When a drainage watercourse is impaired by a beaver dam, the commissioner shall take action to remove the impairment, if:

- (1) the county board unanimously consents;*
- (2) the landowner approves;*
- (3) the commissioner agrees; and*
- (4) the action is financially feasible.*

(b) In a county with unanimous consent of a county board of commissioners and approval of the landowner, the department shall take action agreed to by unanimous consent of the county board, the commissioner, and the landowner. The action may include destruction or alteration of beaver dams and removal of beaver. This subdivision does not apply to state parks, state game refuges, and federal game refuges. [97.57 s. 1]

Subd. 2. [PETITION TO DISTRICT COURT.] If a beaver dam causes a threat to personal safety or a serious threat to damage property, and a person cannot obtain consent under subdivision 1, a person may petition the district court for relief. The court may order the commissioner to take action to reduce the threat. [97.57 s. 2]

Sec. 56. [97B.671] [PREDATOR CONTROL PROGRAM.]

Subdivision 1. [AUTHORIZATION TO TAKE PREDATORS.] If the commissioner determines that predators are damaging domestic or wild animals and further damage can be prevented, the commissioner shall authorize the taking of the predators by predator controllers. The commissioner shall define the area where the predators may be taken, the objectives to be achieved, payments to be made, the methods to be used, and when the predator control shall cease. [97.487 s. 3]

Subd. 2. [CERTIFICATION OF PREDATOR CONTROLLERS.] The commissioner shall certify a person as a predator controller if the person has not violated a provision of this section and meets qualifications of experience, ability, and reliability. The commissioner shall establish application procedures, prescribe forms, and maintain a list of predator controllers. The application procedures must include reports from conservation officers and other department field personnel as to the ability and reliability of the applicants. [97.487 s. 4, 6]

Subd. 3. [PREDATOR CONTROL PAYMENTS.] The commissioner shall pay a predator controller the amount the commissioner prescribes for each predator taken. The commissioner shall pay at least \$25 but not more than \$60 for each wolf or coyote taken. The commissioner may require the predator controller to submit proof of the taking and a signed statement concerning the predators taken. [97.487 s. 5]

BIRDS

Sec. 57. [97B.701] [PROTECTED BIRDS.]

Subdivision 1. [TAKING OF BIRDS, NESTS, AND EGGS MUST BE AUTHORIZED.] Protected birds, their nests, and their eggs may be taken only as authorized under the game and fish laws. [100.26 s. 2]

Subd. 2. [PROHIBITED METHODS OF TAKING.] A person may not take protected birds:

- (1) with a trap, net, or snare;*
- (2) using bird lime;*
- (3) with a swivel or set gun; or*
- (4) by dragging a rope, wire, or other device across a field. [100.29 s. 16]*

Sec. 58. [97B.705] [RESTRICTIONS ON TRAPPING BIRDS.]

(a) Except as provided in this section, a person may not take a bird with a steel jaw leg-hold trap mounted on a pole, post, tree stump, or other perch more than three feet above the ground.

(b) A person that has a game farm license and a permit to take great horned owls issued under United States Code, title 16, section 704, may trap great horned owls from April 1 to October 15. The trap must be a padded jaw trap as prescribed by the commissioner and mounted at a height so that the trapped owl

may rest on the ground. Uninjured birds shall be released alive and injured birds receive appropriate veterinary treatment. [100.29 s. 32]

Sec. 59. [97B.711] [GAME BIRDS.]

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

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

(b) The commissioner may by order prescribe an open season for turkey in the spring. [100.27 s. 5]

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

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

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

(c) *The commissioner may, by order, reduce the daily and possession limits established in this subdivision.* [100.28 s. 2]

Sec. 60. [97B.715] [PHEASANTS.]

Subdivision 1. [STAMP REQUIRED.] (a) Except as provided in paragraph (b), a person required to possess a small game license may not hunt pheasants without a pheasant stamp in possession.

(b) *The following persons are exempt from this subdivision:*

(1) *residents under age 18 or over age 65; and*

(2) *persons hunting on licensed private shooting preserves in Norman, Becker, Wadena, Cass, Crow Wing, Aitkin, or Carlton county, and locations north of the northern boundaries of these counties.* [97.4843 s. 2]

Subd. 2. [DAILY AND POSSESSION HEN PHEASANT LIMITS.] A person may not take more than one hen pheasant in one day or possess more than two hen pheasants. [100.28 s. 2]

Subd. 3. [HUNTING HOURS.] A person may not take pheasants between the evening time that the commissioner establishes by order and 9 a.m. [100.29 s. 1]

Sec. 61. [97B.721] [LICENSE REQUIRED TO TAKE TURKEY.]

A person may not take turkey without a small game license and a turkey license. [98.46 s. 2, 14]

Sec. 62. [97B.725] [LICENSE REQUIRED TO GUIDE HUNTERS.]

A person may not guide turkey hunters for compensation without a turkey hunter guide license. The license must be obtained before the day of the opening of the turkey season. The commissioner shall prescribe qualifications for the issuance of turkey hunter guide licenses. [98.456]

Sec. 63. [97B.731] [MIGRATORY BIRDS.]

Subdivision 1. [MIGRATORY GAME BIRDS.] Migratory game birds may be taken and possessed. A person may not take migratory game birds in violation of federal law. [100.27 s. 6]

Subd. 2. [TAKING MOURNING DOVES PROHIBITED.] Mourning doves may not be taken in the state. [100.27 s. 6]

MIGRATORY WATERFOWL

Sec. 64. [97B.801] [MINNESOTA MIGRATORY WATERFOWL STAMP REQUIRED.]

Except as provided in this section, a person required to possess a small game license may not take migratory waterfowl without a Minnesota migratory waterfowl stamp in possession. Residents under age 18 or over age 65 and persons hunting on their own property are not required to possess the stamp. [97.4841 s. 2]

Sec. 65. [97B.805] [RESTRICTIONS ON METHOD OF TAKING WATERFOWL ON WATER.]

Subdivision 1. [HUNTER MUST BE CONCEALED.] (a) A person may not take migratory waterfowl, coots, or rails in open water unless the person is:

(1) within a natural growth of vegetation sufficient to partially conceal the person or boat; or

(2) pursuing or shooting wounded birds.

(b) A person may not take migratory waterfowl, coots, or rails in public waters from a permanent artificial blind or sinkbox. [100.29 s. 17]

Subd. 2. [RESTRICTIONS ON WATERCRAFT.]

(a) A person using watercraft to take migratory waterfowl must comply with subdivision 1.

(b) Migratory waterfowl may be taken from a watercraft propelled by motor or sails only if the watercraft has stopped and the motor is shut off and the sails are furled. [100.29 s. 5]

(c) Migratory waterfowl may be taken from a floating watercraft if the craft is drifting, beached, moored, resting at anchor, or is being propelled by paddle, oars, or pole. [100.29 s. 5]

Subd. 3. [UNATTENDED BOATS.] During the open season for waterfowl, a person may not leave an unattended boat used for hunting waterfowl in public waters between sunset and one hour before sunrise, unless the boat is adjacent to private land under the control of the person and the water does not contain a natural growth of vegetation sufficient to partially conceal a hunter or a boat. [100.29 s. 18]

Sec. 66. [97B.811] [DECOYS AND BLINDS ON PUBLIC LANDS AND WATERS.]

Subdivision 1. [BLINDS AND DECOYS PROHIBITED BEFORE SEASON.] A person may not erect a blind or place decoys in public waters or on public land more than one hour before the open season for waterfowl. [100.29 s. 18]

Subd. 2. [HOURS FOR PLACING DECOYS.] Except as provided in subdivisions 3 and 4, a person may not place decoys in public waters or on public lands more than one hour before sunrise during the open season for waterfowl. [100.29 s. 18]

Subd. 3. [RESTRICTIONS ON LEAVING DECOYS OVERNIGHT.] During the open season for waterfowl, a person may not leave decoys in public waters between sunset and one hour before sunrise unless:

(1) the decoys are in waters adjacent to private land under the control of the hunter; and

(2) there is not natural vegetation growing in water sufficient to partially conceal a hunter. [100.29 s. 18]

Subd. 4. [DECOYS THAT ARE NAVIGATIONAL HAZARD PROHIBITED.] A person may not leave decoys in public waters between sunset and one hour before sunrise if the decoys constitute a navigational hazard. [100.29 s. 18]

FUR-BEARING ANIMALS, TRAPPING

Sec. 67. [97B.901] [COMMISSIONER MAY REQUIRE TAGS ON FUR-BEARING ANIMALS.]

The commissioner may, by order, require persons taking fur-bearing animals to tag the animals where they are taken. The commissioner shall prescribe the manner of issuance and the type of tag, which must show the year of issuance. The commissioner shall issue the tag, without a fee, upon request. [98.46 s. 21]

Sec. 68. [97B.905] [FUR BUYING AND SELLING LICENSES.]

Subdivision 1. [RESIDENT LICENSE.]

(a) A resident that has a license to buy and sell raw furs may buy and sell raw furs in the state including:

(1) selling raw furs to a manufacturer, representing non-residents;

(2) selling raw furs to a broker or agent, representing a nonresident; and

(3) *conducting a fur auction that makes sales to resident manufacturers and nonresidents.*

(b) *An employee, partner, or officer buying or selling only for a raw fur dealer licensee at an established place of business licensed under article 1, section 68, subdivision 21, clause (a), may obtain a supplemental license under article 1, section 68, subdivision 21, clause (b).* [98.46 s. 4]

Subd. 2. [NONRESIDENT LICENSE.] A nonresident must obtain a license under article 1, section 68, subdivision 22, to buy or sell raw furs within the state, except a license is not required to buy from a person licensed under article 1, section 68, subdivision 21. [98.46 s. 16]

Subd. 3. [BOND REQUIRED FOR FUR BUYER LICENSE APPLICANTS.] Applicants for a raw fur dealer's license must, at the time of application for the license, furnish a corporate surety bond in favor of the state for \$1,000 payable upon violation of the game and fish laws. [98.46 s. 23]

Sec. 69. [97B.911] [MUSKRAT SEASONS.]

The commissioner may establish open seasons for muskrat between October 25 and April 30. The open season in an area may not exceed 90 days. The commissioner may prescribe restrictions for the taking of muskrat. [100.27 s. 4]

Sec. 70. [97B.915] [MINK SEASONS.]

The commissioner may establish open seasons for mink between October 25 and April 30. The open season in an area may not exceed 90 days. The commissioner may prescribe restrictions for the taking of mink. [100.27 s. 4]

Sec. 71. [97B.921] [OTTER SEASONS.]

The commissioner may establish open seasons for otter between October 25 and April 30. The open season in an area may not exceed 30 days. Otter may be taken only by trapping and is subject to restrictions prescribed by the commissioner. [100.27 s. 4]

Sec. 72. [97B.925] [BEAVER SEASONS.]

The commissioner may establish open seasons for beaver between October 25 and April 30. Beaver may be taken only by trapping and is subject to restrictions prescribed by the commissioner. [100.27 s. 4]

Sec. 73. [97B.931] [HOURS FOR TENDING TRAPS RESTRICTED.]

A person may not tend a trap set for wild animals between 7:00 p.m. and 5:00 a.m. [100.29 s. 25]

Sec. 74. [97B.935] [USE OF VEHICLES FOR TRAPPING BEAVER AND OTTER.]

Subdivision 1. [GENERAL PROHIBITION.] Except as provided in this section, a person may not use a snowmobile or an all-terrain vehicle during the open season for beaver or otter, and for two days after the open seasons end, to transport or check beaver or otter traps or to transport beaver or otter carcasses or pelts. [100.29 s. 30]

Subd. 2. [ALLOWED IN DESIGNATED COUNTIES.] The commissioner may, by order, designate counties where snowmobiles and all-terrain vehicles may be used to transport and check beaver and otter traps and to transport beaver or otter carcasses or pelts. [100.29 s. 30]

Subd. 3. [SPECIAL PERMIT FOR DISABLED.] The commissioner may issue a special permit to use a snowmobile or all-terrain vehicle to transport or check beaver or otter traps or to transport beaver or otter carcasses or pelts to a licensed trapper physically unable to walk as specified in section 12, subdivision 3. [100.29 s. 30]

Sec. 75. [97B.941] [TAMPERING WITH TRAPS.]

A person may not remove or tamper with a trap legally set to take fur-bearing animals or unprotected wild animals without authorization. Authorized persons include the commissioner and the owner or lessee of the land where the trap is located. [100.-29 s. 33]

Sec. 76. [97B.945] [SETTING OF TRAPS NEAR WATER RESTRICTED.]

A person may not set a trap within 150 feet of a stream, lake, or navigable water within 30 days before the open season for mink and muskrat without a special permit by the commissioner. [100.295]

ARTICLE 3

CHAPTER 97C

FISHING

FISHING HABITAT

Section 1. [97C.001] [EXPERIMENTAL WATERS.]

Subdivision 1. [DESIGNATION.] The commissioner may designate all or part of a lake or stream as experimental waters. The designated experimental waters may not exceed 100 lakes

and 25 streams at one time. Only lakes and streams that have a public access may be designated. The commissioner shall establish methods and criteria for public initiation of experimental waters designation and for public participation in the evaluation of the waters designated. [97.48 s. 26]

Subd. 2. [PUBLIC MEETING.] Before the commissioner designates experimental waters, a public meeting must be held in the county where the largest portion of the lake or stream is located. At least seven days before the public meeting, notice of the meeting must be published in a legal newspaper within the counties where the lake or stream is located. If a lake to be designated has a water area of more than 1,500 acres, a public meeting must also be held in the seven-county metropolitan area. [97.48 s. 26]

Subd. 3. [SEASONS, LIMITS, AND REGULATIONS.] The commissioner may, by order, establish open seasons, limits, methods, and other regulations to take fish on experimental waters. [97.48 s. 26]

Sec. 2. [97C.005] [SPECIAL MANAGEMENT LAKES.]

The commissioner may classify waters for their primary use as trophy lakes, family fishing lakes, special species management lakes, and other designated uses. [97.48 s. 26a]

Sec. 3. [97C.011] [MUSKELLUNGE LAKES.]

(a) The commissioner may, after holding a public meeting, designate waters with muskellunge as muskellunge waters.

(b) The commissioner may prescribe rules for each designated muskellunge waters that:

- (1) restrict spearing from a darkhouse;*
- (2) restrict angling from a darkhouse;*
- (3) limit the open season to take fish;*
- (4) limit the size of fish that may be kept; and*
- (5) limit the number of each species of fish that may be kept.*

(c) The commissioner must give notice and hold a hearing before adopting rules under this subdivision. The rules must have a termination date and may only be extended upon a showing by the commissioner, at a hearing, that the muskellunge population in the designated waters has been enhanced.

(d) *The provisions of section 39, subdivision 1, requiring the angling season on a lake to be closed in proportion to the spearing season do not apply to designated muskellunge lakes.* [101.475 s. 1, 2]

Sec. 4. [97C.015] [MISSISSIPPI RIVER FISH REFUGE.]

Subdivision 1. [ESTABLISHMENT.] The portion of the Mississippi river described in subdivision 3 is a fish refuge when the commissioner concludes a fish refuge agreement with the appropriate state authority in Wisconsin. The agreement must require that a similar fish refuge is established in the Wisconsin waters of the Mississippi river described in subdivision 3. [99.29 s. 1, 3]

Subd. 2. [FISHING RESTRICTION.] A person may not take fish from a fish refuge after it is established under this section. [99.29 s. 2]

Subd. 3. [LOCATION.] The location of the fish refuge is the portion of the Mississippi river downstream from lock and dam No. 3 located at milepost 796.9 above the mouth of the Ohio river, to the downstream end of Diamond island located at milepost 794.8. [99.29 s. 1]

Sec. 5. [97C.021] [ANGLING RESTRICTED IN TROUT STREAMS.]

A person may only take fish from a designated trout stream during the open season for trout in the stream. [97.4842 s. 1, 101.42 s. 9]

Sec. 6. [97C.025] [FISHING AND MOTORBOATS PROHIBITED IN SPAWNING BEDS AND FISH PRESERVES.]

A person may not take fish from or drive motorboats over waters designated as spawning beds or fish preserves. [101.42 s. 15]

Sec. 7. [97C.031] [LAKES WITH UNBALANCED FISH POPULATIONS.]

The commissioner may establish and amend a list of lakes and rivers that have been found by the director, to contain an unbalanced fish population, or to contain species of fish that have become stunted from overpopulation. The list may not include more than 100 lakes and rivers, or more than six in a county. The commissioner may, by order, establish open seasons, limits, and methods of taking fish from lakes and rivers on the list. The order must be published in each county containing the lake or river. [101.47 s. 1]

Sec. 8. [97C.035] [ENDANGERED FISH POPULATIONS.]

Subdivision 1. [CONDITIONS.] If the commissioner determines that fish in shallow waters are endangered by lack of oxygen in the winter, or if waters will be restored with the use of piscicides, the commissioner shall rescue the fish under subdivision 2 or allow taking of the fish under subdivision 3. [97.48 s. 16]

Subd. 2. [RESCUE OF FISH.] If the commissioner rescues fish endangered by lack of oxygen in the winter, the fish may be transferred to other waters, sold, or otherwise disposed of. [97.-48 s. 16]

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

- (1) in any quantity;*
 - (2) in any manner, except by use of seines, hoop nets, fyke nets, and explosives; and*
 - (3) for personal use only, except rough fish may be sold.*
- (b) In an emergency the commissioner may authorize the taking of fish without publishing the order if notice is posted conspicuously along the shore of the waters. [97.48 s. 16]*

Sec. 9. [97C.041] [COMMISSIONER MAY REMOVE ROUGH FISH.]

The commissioner may take rough fish, lake whitefish, and rainbow smelt with seines, nets, and other devices. The commissioner may hire or contract persons, or issue permits, to take the fish. The commissioner shall prescribe the manner of taking and disposal. The commissioner may award a contract under this section without competitive bidding. Before establishing the contractor's compensation, the commissioner must consider the qualifications of the contractor, including the contractor's equipment, knowledge of the waters, and ability to perform the work. [97.48 s. 2, 4]

Sec. 10. [97C.045] [REMOVAL OF ROUGH FISH FROM BOUNDARY WATERS.]

The commissioner may enter into agreements with North Dakota, South Dakota, Wisconsin, and Iowa, relating to the removal of rough fish in boundary waters. The agreements may include:

- (1) *contracting to remove rough fish;*
- (2) *inspection of the work;*
- (3) *the division of proceeds; and*
- (4) *regulating the taking of rough fish.* [97.48 s. 2]

Sec. 11. [97C.051] [SPECIAL PERMITS TO USE PISCICIDES.]

Subdivision 1. [PERMIT.] The commissioner may issue a special permit, without a fee, to apply piscicides to restore waters at the permittee's expense. The permit may be issued to an individual, a group of riparian owners, or a lake improvement association. The permit may only be issued if all riparian owners have consented in writing. [98.48 s. 15]

Subd. 2. [TAKING OF FISH.] The commissioner may set special open seasons, limits, and methods to take fish before the piscicides are applied. The commissioner must post the special provisions at or near the waters. [98.48 s. 15]

Sec. 12. [97C.055] [DEAD FISH REMOVAL.]

The commissioner shall remove and dispose of dead fish that accumulate in or upon the shores of public waters in quantities that are a public nuisance or are detrimental to game fish. [101.46]

Sec. 13. [97C.061] [DRAGGING A WEIGHT OR AN ANCHOR THROUGH VEGETATION.]

A person may not use a motorboat to drag an anchor or other weight through aquatic vegetation, except by commissioner's order. [101.42 s. 19]

Sec. 14. [97C.065] [POLLUTANTS IN WATERS.]

A person may not dispose of any substance in state waters, or allow any substance to enter state waters, in quantities that injure or are detrimental to the propagation of wild animals or taint the flesh of wild animals. Each day of violation is a separate offense. An occurring or continuous violation is a public nuisance. An action may be brought by the attorney general to enjoin and abate nuisance upon request of the commissioner. This section does not apply to chemicals used for pest control for the general welfare of the public. [101.42 s. 17]

Sec. 15. [97C.071] [PERMIT REQUIRED FOR STRUCTURE IN PUBLIC WATERS.]

A person may not construct or maintain a dam or other obstruction, except a boat pier, in or over public waters without a permit from the commissioner. The commissioner may establish permit conditions for the construction or modification of a fishway around or over a dam or obstruction. [101.42 s. 13]

Sec. 16. [97C.075] [FISH SCREENS IN FLOWING WATERS.]

A person may not obstruct a creek, stream, or river to prevent the passage of fish with a rack or screen without the permission of the commissioner. The person that erected the obstruction, or the owner of the land where the obstruction is located, must immediately remove the obstruction upon order of the commissioner. [101.48]

Sec. 17. [97C.081] [FISHING CONTESTS.]

Subdivision 1. [RESTRICTIONS.] A person may not conduct a fishing contest on waters except as provided in this section. [101.42 s. 21]

Subd. 2. [CONTESTS WITHOUT A PERMIT.] A person may conduct a fishing contest with entry fees of \$10, or less, per person and total prizes valued at \$2,000, or less, without a permit from the commissioner. The commissioner may, by order, establish restrictions on the fishing contest to protect fish and fish habitat and for the safety of contest participants. [101.42 s. 21]

Subd. 3. [CONTESTS AUTHORIZED BY COMMISSIONER.] The commissioner may, by order or permit, allow fishing contests with entry fees over \$10 per person and total prizes valued at more than \$2,000. Permits must be issued without a fee and if the commissioner does not deny the permit within 14 days, excluding holidays, after receipt of an application, the permit is granted. [101.42 s. 21]

PROPAGATION

Sec. 18. [97C.201] [STATE FISH STOCKING PROHIBITED WITHOUT PUBLIC ACCESS.]

The commissioner and state agencies may only stock fish in waters where there is public access. [97.485]

Sec. 19. [97C.205] [RULES FOR SPORTING ORGANIZATIONS TO REAR AND STOCK FISH.]

The commissioner shall prescribe rules designed to encourage local sporting organizations to propagate game fish by using rearing ponds. The rules must:

(1) *prescribe methods to acquire brood stock for the ponds by seining public waters;*

(2) *allow the sporting organizations to own and use seines and other necessary equipment; and*

(3) *prescribe methods for stocking the fish in public waters that give priority to the needs of the community where the fish are reared and the desires of the organization operating the rearing pond. [97.48 s. 20]*

Sec. 20. [97C.211] [PRIVATE FISH HATCHERIES.]

Subdivision 1. [LICENSE REQUIRED.] A person may not operate a private fish hatchery without a private fish hatchery license. [98.46 s. 17]

Subd. 2. [RULES FOR OPERATION.] The commissioner shall prescribe rules that allow a person to maintain and operate a private fish hatchery to raise and dispose of fish indigenous to state waters. [97.48 s. 22]

Subd. 3. [FISHING LICENSE NOT REQUIRED FOR PERSONS TO TAKE FISH.] A person may take fish by angling without a fishing license at a licensed private fish hatchery or an artificial pool containing only fish purchased from a private fish hatchery, if the operator of the hatchery or pool furnishes each person catching fish a certificate prescribed by the commissioner. The certificate must state the number and species of the fish caught and other information as prescribed by the commissioner. A person without a fishing license may possess, ship, and transport within the state the fish caught in the same manner as fish taken by a resident with a fishing license. [97.48 s. 22]

Subd. 4. [LICENSE REQUIRED TO TAKE SUCKER EGGS.] A person may not take sucker eggs from public waters for a private fish hatchery without a license to do so. [98.46 s. 17]

Sec. 21. [97C.215] [SPECIAL PERMITS FOR UNITED STATES AGENTS.]

The commissioner may issue a special permit, without a fee, to an authorized agent of the United States to conduct fish culture operations, rescue work, and related fishery operations. [98.48 s. 11]

FISHING METHODS

Sec. 22. [97C.301] [LICENSE REQUIRED TO TAKE FISH.]

Subdivision 1. [REQUIREMENT.] Unless exempted under article 1, section 62, 63, or 66, subdivision 1, a person must have a license to take fish as provided in this section. [98.45 s. 1].

Subd. 2. [ANGLING.] A person may not take fish without an angling license. [98.47 s. 6]

Subd. 3. [SPEARING.] A person may not take fish by spearing from a dark house without a dark house spearing license and an angling license. [98.47 s. 6]

Subd. 4. [NETTING.] A person may not take fish by netting without the required license to net fish and an angling license. [98.47 s. 6]

Sec. 23. [97C.305] [TROUT AND SALMON STAMP.]

A person over age 16 and under age 65 required to possess an angling license must have a trout and salmon stamp in possession to take fish by angling in:

(1) a stream designated by the commissioner as a trout stream;

*(2) a lake designated by the commissioner as a trout lake;
or*

(3) Lake Superior. [97.4842 s. 1]

Sec. 24. [97C.311] [LAKE SUPERIOR FISHING GUIDE LICENSE.]

A person may not operate a charter boat and guide anglers on Lake Superior for compensation without a Lake Superior fishing guide license. The commissioner shall prescribe rules for qualification and issuance of the licenses. [98.457]

Sec. 25. [97C.315] [ANGLING LINES AND HOOKS.]

Subdivision 1. [LINES.] An angler may not use more than one line except:

(1) two lines may be used to take fish through the ice; and

(2) the commissioner may, by order, authorize the use of two lines in areas designated by the commissioner in Lake Superior. [97.40 s. 32, 101.41 s. 2, 2a]

Subd. 2. [HOOKS.] An angler may not have more than one hook on a line, except:

(1) *three artificial flies may be on a line used to take large-mouth bass, smallmouth bass, trout, crappies, sunfish, and rock bass; and*

(2) *a single artificial bait may contain more than one hook.* [97.40 s. 32, 101.42 s. 2]

Sec. 26. [97C.321] [RESTRICTIONS ON UNATTENDED LINES.]

Subdivision 1. [GENERAL PROHIBITION.] A person may not take fish by angling with a set line or an unattended line except as provided in this section and section 60. [101.42 s. 20]

Subd. 2. [ICE FISHING.] A person may use an unattended line to take fish through the ice if:

(1) *the person is within sight of the line; or*

(2) *a tip-up is attached to the line and the person is within 80 feet of the tip-up.* [101.42 s. 20]

Sec. 27. [97C.325] [PROHIBITED METHODS OF TAKING FISH.]

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

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

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

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

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

(b) *If a person that possesses a substance or device listed in paragraph (a) on waters, shores, or islands, it is presumptive evidence that the person is in violation of this section.* [101.42 s. 11]

Sec. 28. [97C.331] [SNAGGING FISH PROHIBITED.]

A person may not take fish with a snagline, snagpole, snag-hook, or cluster of fish hooks, designed to be placed in or drawn through the water to hook the body of a fish. [101.42 s. 4]

Sec. 29. [97C.335] [USE OF ARTIFICIAL LIGHTS TO TAKE FISH PROHIBITED.]

A person may not use artificial lights to lure or attract fish, or to see fish in the water while spearing. [101.42 s. 3]

Sec. 30. [97C.341] [CERTAIN FISH PROHIBITED FOR BAIT.]

A person may not use live minnows imported from outside of the state, game fish, gold fish, or carp for bait. [101.42 s. 6]

Sec. 31. [97C.345] [RESTRICTIONS ON USE AND POSSESSION OF NETS AND SPEARS.]

Subdivision 1. [PERIOD WHEN USE PROHIBITED.] Except as specifically authorized, a person may not take fish from February 16 to April 30 with a spear, fish trap, net, dip net, seine, or other device capable of taking fish. [101.42 s. 18]

Subd. 2. [POSSESSION.] (a) Except as specifically authorized, a person may not possess a spear, fish trap, net, dip net, seine, or other device capable of taking fish on or near any waters. Possession includes personal possession and in a vehicle.

(b) A person may possess spears, dip nets, bows and arrows, and spear guns allowed under section 38 on or near waters between sunrise and sunset after April 30. [101.42 s. 18]

Subd. 3. [DIP NETS.] A person may possess and use a dip net between one hour before sunrise and one hour after sunset after April 30. [101.42 s. 18a]

Subd. 4. [EXCEPTIONS.] This section does not apply to:

- (1) nets used to take rainbow smelt during the open season;*
- (2) nets used to land game fish taken by angling;*
- (3) seines or traps used for the taking of minnows for bait; and*
- (4) angling equipment. [101.42 s. 18, 18a]*

Sec. 32. [97C.351] [FISH NETS MUST HAVE TAG ATTACHED.]

A person may not possess a fish net unless specifically authorized or a metal tag is attached bearing the name and address of the owner when the net is not in use and the name and address of the operator when the net is in use, as prescribed by the commissioner. This section does not apply to minnow nets, landing nets, dip nets, and nets in stock for sale by dealers. [101.42 s. 12]

Sec. 33. [97C.355] [DARK HOUSES AND FISH HOUSES.]

Subdivision 1. [IDENTIFICATION REQUIRED.] All shelters on the ice of state waters, including dark houses and fish houses, must have the name and address of an owner legibly painted on the exterior in letters with characters at least three inches high. [101.42 s. 16]

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. 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. [98.46 s. 5] [101.42 s. 16]

Subd. 3. [DOOR MUST OPEN FROM OUTSIDE.] A person may not use a dark house or fish house unless the door is constructed so that it can be opened from the outside when it is in use. [101.42 s. 16]

Subd. 4. [DISTANCE BETWEEN HOUSES.] A person may not erect a dark house or fish house within ten feet of an existing dark house or fish house. [101.42 s. 16]

Subd. 5. [BURNING OF STRUCTURES.] A person may not burn a structure on the ice of state waters without permission of the commissioner. The commissioner may allow burning only after determining that the structure cannot be removed from the ice by another reasonable manner. The owner must remove the remains of the burned structure from the ice. [101.42 s. 16]

Subd. 6. [RESTRICTIONS FOR NONRESIDENTS.] A nonresident may only obtain a license for a fish house that is collapsible and portable, and the house may not be unattended. [98.46 s. 15]

Subd. 7. [DATES AND TIMES HOUSES MAY REMAIN ON ICE.] (a) After February 28, a fish house or dark house may not be on the ice between 12:00 a.m. and 7:00 a.m. A fish house or dark house on the ice in violation of this subdivision is subject to the enforcement provisions of paragraph (b). The commissioner may, by order, extend the date beyond February 28 for any part of international boundary waters. Copies of the order must be conspicuously posted on the shores of the waters as prescribed by the commissioner. [101.42 s. 16]

(b) A conservation officer must confiscate a fish house or dark house in violation of paragraph (a). The officer may remove, burn, or destroy the house. The officer shall seize the con-

tents of the house and hold them for 60 days. If the seized articles have not been claimed by the owner, they may be retained for the use of the division or sold at the highest price obtainable in a manner prescribed by the commissioner. [101.42 s. 16]

Subd. 8. [CONFISCATION OF UNLAWFUL STRUCTURES.] Structures on the ice in violation of this section may be confiscated and disposed of, retained by the division, or sold at the highest price obtainable, in a manner prescribed by the commissioner. [101.42 s. 16]

Sec. 34. [97C.361] [RESTRICTIONS ON FISH HOUSES AND DARK HOUSES IN THE BOUNDARY WATERS CANOE AREA.]

A person may only use a portable fish house or dark house within the boundary waters canoe area. The house must be removed from the waters and collapsed or disassembled each night. The house may not remain in the boundary waters canoe area if the person leaves the boundary waters canoe area. [101.425]

Sec. 35. [97C.365] [SPEARS PROHIBITED WHILE ANGLING IN FISH HOUSE OR DARK HOUSE.]

A person may not have a spear within a dark house or fish house while angling. [101.42 s. 16]

Sec. 36. [97C.371] [SPEARING FISH.]

Subdivision 1. [SPECIES ALLOWED.] Only rough fish, catfish, lake whitefish, and northern pike may be taken by spearing. [101.41 s. 4]

Subd. 2. [DARK HOUSES REQUIRED FOR CERTAIN SPECIES.] Catfish, lake whitefish, and northern pike may be speared only from dark houses. [101.41 s. 4]

Subd. 3. [RESTRICTIONS WHILE SPEARING FROM DARK HOUSE.] A person may not take fish by angling or the use of tip-ups while spearing fish in a dark house. [101.42 s. 20]

Subd. 4. [OPEN SEASON.] The open season for spearing through the ice is December 1 to February 15. [101.41 s. 4]

Sec. 37. [97C.375] [TAKING ROUGH FISH BY SPEARING OR ARCHERY.]

A resident may take rough fish by spearing or archery during the times, in waters, and in the manner prescribed by the commissioner. [101.411]

Sec. 38. [97C.381] [HARPOONING ROUGH FISH.]

A resident may use a rubber powered gun, spring gun, or compressed air gun to take rough fish by harpooning. The harpoon must be fastened to a line not more than 20 feet long. The commissioner may prescribe the times, the waters, and the manner for harpooning rough fish. [101.51]

Sec. 39. [97C.385] [COMMISSIONER'S AUTHORITY TO REGULATE WINTER FISHING.]

Subdivision 1. [SUMMER ANGLING SEASON TO BE CLOSED IN SAME PROPORTION.] If the commissioner closes the statutory open season for the spearing of a game fish species in any waters, the commissioner must, in the same order, close the following statutory open season for angling for the same species in the waters in the same proportion. [97.48 s. 1]

Subd. 2. [SUMMER ANGLING LIMITS MUST BE SAME AS SPEARING.] If the commissioner reduces the limit of a species of game fish taken by spearing in any waters under article 1, section 8, subdivision 2, the commissioner must reduce the limit for taking of the species by angling in the waters during the following open season for angling. [97.48 s. 1]

Subd. 3. [CLOSING LAKES AND STREAMS IN A COUNTY.] The commissioner may not close the open season for taking game fish through the ice on more than 50 percent of the named lakes or streams of a county under article 1, section 8, subdivision 2. [97.48 s. 1]

Sec. 40. [97C.391] [BUYING AND SELLING FISH.]

Subdivision 1. [GENERAL RESTRICTIONS.] A person may not buy or sell fish taken from the waters of this state, except:

- (1) minnows;*
- (2) rough fish excluding ciscoes;*
- (3) fish taken under licensed commercial fishing operations;*
- (4) fish raised in a private hatchery that are tagged or labeled as prescribed by the commissioner; and*
- (5) fish lawfully taken and subject to sale from other states and countries. [101.41 s. 4; 101.42 s. 3]*

Subd. 2. [RESTRICTIONS ON CERTAIN GAME FISH.] Largemouth bass, smallmouth bass, rock bass, muskellunge, and sunfish may not be bought or sold unless bought or sold by a

private hatchery to stock waters for recreational fishing as prescribed by the commissioner. [101.42 s. 7]

Sec. 41. [97C.395] [OPEN SEASONS FOR ANGLING.]

Subdivision 1. [DATES FOR CERTAIN SPECIES.] The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, muskellunge, largemouth bass, and smallmouth bass, from May 15 to the third Monday in February;

(2) for lake trout, from January 1 to October 31;

(3) for brown trout, brook trout, rainbow trout, and splake, between January 1 to October 31 as prescribed by the commissioner by order except as provided in section 45, subdivision 2; and

(4) for salmon, as prescribed by the commissioner by order. [101.41 s. 2; 101.50]

Subd. 2. [CONTINUOUS SEASON FOR CERTAIN SPECIES.] For sunfish, white crappie, black crappie, yellow perch, catfish, rock bass, white bass, lake whitefish, and rough fish, the open season is continuous. [101.41 s. 2]

Sec. 42. [97C.401] [COMMISSIONER AUTHORIZED TO PRESCRIBE LIMITS.]

Unless otherwise provided in this chapter, the commissioner shall, by order, prescribe the limits on the number of each species of fish that may be taken in one day and the number that may be possessed. [101.41 s. 6]

Sec. 43. [97C.405] [MUSKELLUNGE SIZE LIMITS.]

(a) Except as allowed under paragraph (b), if a person catches a muskellunge less than 36 inches long in waters north of trunk highway No. 210, the person must immediately release the fish into the waters.

(b) The commissioner may designate lakes north of trunk highway No. 210 where muskellunge less than 36 inches, but not less than 30 inches long, may be retained. [101.42 s. 1a]

Sec. 44. [97C.411] [STURGEON AND PADDLEFISH.]

Lake sturgeon, shovelnose sturgeon, and paddlefish may not be taken, bought, sold, transported or possessed except as provided by order of the commissioner. The commissioner may only allow the taking of these fish in waters that the state boundary passes

through except that an order that applies to the St. Croix river must also apply to its tributaries. [101.41 s. 1]

Sec. 45. [97C.415] [TROUT AND SALMON.]

Subdivision 1. [HOURS FOR TAKING TROUT RESTRICTED.] A person may not take trout, except lake trout between 11:00 p.m. and one hour before sunrise. [101.42 s. 8]

Subd. 2. [LAKE SUPERIOR STREAMS.] The commissioner may prescribe the open season and conditions for taking brook trout, brown trout, rainbow trout, steelhead trout, and salmon in any portion of a stream that flows into Lake Superior. [101.48]

Subd. 3. [SALMON.] The commissioner may prescribe, by order, the method of taking and possessing salmon. [101.50]

MINNOWS

Sec. 46. [97C.501] [MINNOW LICENSES REQUIRED.]

Subdivision 1. [MINNOW RETAILERS.] (a) A person may not be a minnow retailer without a minnow retailer license except as provided in subdivision 3. [98.46 s. 17]

(b) A minnow retailer must obtain a minnow retailer's vehicle license for each motor vehicle used by the minnow retailer to transport more than 12 dozen minnows to the minnow retailer's place of business, except as provided in subdivision 3. [97.40 s. 27; 98.46 s. 17(1)]

Subd. 2. [MINNOW DEALERS.] (a) A person may not be a minnow dealer without a minnow dealer license except as provided in subdivision 3.

(b) A minnow dealer must obtain a minnow dealer's helper license for each person employed to take, buy, sell, or transport minnows by the minnow dealer. The minnow dealer may transfer a helper's license from a former helper to a new helper.

(c) A minnow dealer must obtain a minnow dealer's vehicle license for each motor vehicle used to transport minnows. The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle.

(d) A minnow dealer may not transport minnows out of the state without an exporting minnow dealer license. A minnow dealer must obtain an exporting minnow dealer's vehicle license for each motor vehicle used to transport minnows out of the state.

The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle. [98.46 s. 5]

Subd. 3. [LICENSE EXEMPTION FOR MINORS SELLING LEECHES.] A resident under age 18 may take leeches, sell leeches at retail, and transport leeches without a minnow retailer or dealer license. [97.40 s. 12]

Subd. 4. [NONRESIDENT MINNOW HAULERS.] (a) A nonresident may not transport minnows in a motor vehicle without an exporting minnow hauler license. [97.45 s. 15, 98.46 s. 5a]

(b) A nonresident must obtain an exporting minnow hauler's vehicle license for the motor vehicle used to transport minnows. The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle. [98.46 s. 5a]

(c) Only one nonresident motor vehicle license may be issued to an exporting minnow hauler. [98.46 s. 5a]

Sec. 47. [97C.505] [MINNOWS.]

Subdivision 1. [AUTHORITY TO TAKE, POSSESS, BUY, AND SELL.] Minnows may be taken, possessed, bought, and sold, subject to the restrictions in this chapter. [101.41 s. 4]

Subd. 2. [CONTINUOUS OPEN SEASON.] The open season for taking minnows is continuous, except as provided in subdivisions 3 and 4. [101.41 s. 4]

Subd. 3. [CLOSING WATERS.] The commissioner may close any state waters for commercially taking minnows if a survey is conducted and the commissioner determines it is necessary to close the waters to prevent depletion or extinction of the minnows. [97.48 s. 6]

Subd. 4. [HOURS OF TAKING.] A person may not take minnows from one hour after sunset to one hour before sunrise. [101.42 s. 5]

Subd. 5. [RESTRICTIONS ON TAKING FROM TROUT WATERS.] A person may not take minnows from designated trout lakes or trout streams without a special permit issued by the commissioner. [101.42 s. 5]

Subd. 6. [APPROVED EQUIPMENT REQUIRED.] A person must use equipment approved by the commissioner to possess or transport minnows for sale. [101.42 s. 5]

Sec. 48. [97C.511] [MINNOW SEINES.]

Subdivision 1. [SIZE RESTRICTIONS.] Except as provided in subdivision 2, a person may not take minnows with a seine longer than 25 feet, and deeper than:

(1) 148 meshes of 1/4 inch bar measure;

(2) 197 meshes of 3/16 inch bar measure; or

(3) four feet of material of less than 3/16 inch bar measure.
[101.42 s. 5]

Subd. 2. [LICENSED MINNOW DEALERS.] A minnow dealer may take minnows with a seine that is not longer than 50 feet, and not deeper than:

(1) 222 meshes of 1/4 inch bar measure;

(2) 296 meshes of 3/16 inch bar measure; or

(3) six feet of material of less than 3/16 inch bar measure.
[101.42 s. 5]

Sec. 49. [97C.515] [IMPORTED MINNOWS.]

Subdivision 1. [GENERAL PROHIBITION.] A person may not bring live minnows into the state except as provided in this section. [101.42 s. 6]

Subd. 2. [PERMIT FOR TRANSPORTATION.] A person may transport minnows through the state with a permit from the commissioner. The permit must state the name and address of the person, the number and species of minnows, the point of entry into the state, the destination, and the route through the state. The permit is not valid for more than 12 hours after it is issued. [101.42 s. 6]

Subd. 3. [USE IN HOME AQUARIUMS ALLOWED.] A person may bring live minnows into the state for home aquariums. [101.42 s. 6]

Sec. 50. [97C.521] [TRANSPORTATION OF CARP FINGERLINGS PROHIBITED.]

A person may not transport live carp fingerlings. [101.42 s. 6]

Sec. 51. [97C.525] [RESTRICTIONS ON TRANSPORTATION OF MINNOWS.]

Subdivision 1. [APPLICABILITY.] This section does not apply to the transportation of 24 dozen minnows, or less, or to transportation with a permit issued under section 49, subdivision 2. [97.45 s. 15]

Subd. 2. [TRANSPORTING OUT OF THE STATE.] A person may not transport minnows out of the state, except as provided in this section. [97.45 s. 15]

Subd. 3. [MINNOW DEALERS AND HAULERS.] A resident minnow dealer or a nonresident exporting minnow hauler may transport leeches, suckers, and fathead minnows out of the state. A nonresident exporting minnow hauler must possess a bill of lading issued by a minnow dealer with an exporting minnow dealer's license. The bill of lading must be on a form furnished by the commissioner and must state the exporting minnow hauler's name and address, the route through the state, number and species of minnows, and the time it was issued. [97.45 s. 15]

Subd. 4. [MINNOW RETAILERS.] A minnow retailer transporting minnows from a place of wholesale purchase to the retailer's place of business must use the most reasonably direct route. [97.45 s. 15]

Subd. 5. [OUT OF STATE VEHICLES.] The exporting minnow hauler must transport the minnows out of the state within 24 hours of the time of issuance stated on the bill of lading. A person may not transport minnows in a motor vehicle licensed in another state without an exporting minnow hauler's vehicle license. [97.45 s. 15, 98.46 s. 5]

AMPHIBIANS

Sec. 52. [97C.601] [FROGS.]

Subdivision 1. [SEASON.] The open season for frogs is May 16 to March 31. The commissioner may, by order, establish closed seasons in specified areas. [101.44]

Subd. 2. [LICENSE REQUIRED.] (a) A person may not take or possess frogs without an angling license if the person is required to have an angling license to take fish.

(b) A person may not purchase, possess, and transport frogs for purposes other than bait without a license to purchase, possess, and transport frogs.

(c) A person may not take, possess, transport, and sell frogs for purposes other than bait without a license to take, possess, transport, and sell frogs. [101.44]

Subd. 3. [TAKING WITH CLOTH SCREENS PROHIBITED.] A person may not use cloth screens or similar devices to take frogs. [101.44]

Subd. 4. [TAKING WITH ARTIFICIAL LIGHTS.] The commissioner may issue permits to take frogs with the use of artificial lights in waters designated in the permit. [97.48 s. 21]

Subd. 5. [LIMITS.] (a) A person may possess frogs, up to six inches long, without limit if the frogs are possessed, bought, sold, and transported for bait.

(b) Unless the commissioner prescribes otherwise, a person may possess frogs over six inches long and:

(1) transport the frogs, except by common carrier; and

(2) sell the frogs in any quantity during the open season.

(c) The length of a frog is measured from the tip of the nose to the tip of the hind toes, with the legs fully extended. [101.44]

Subd. 6. [BUYING AND SELLING FOR PURPOSES OTHER THAN BAIT.] The commissioner shall prescribe rules for buying, selling, possessing, and transporting frogs for purposes other than bait. [101.44]

Subd. 7. [FOR HUMAN CONSUMPTION.] The commissioner may issue permits for importing, raising, and selling frogs for human consumption. [101.441]

Sec. 53. [97C.605] [TURTLES.]

Subdivision 1. [LICENSE REQUIRED.] A person may not take, possess, buy, sell, or transport turtles without an angling license. [101.45]

Subd. 2. [SALES LICENSE.] A person may not take, transport, or purchase unprocessed turtles for sale without a turtle seller's license. A person with a turtle seller's license may take turtles for sale as prescribed by the commissioner. [101.45]

Subd. 3. [TAKING; METHODS PROHIBITED.] A person may take turtles in any manner, except by use of explosives, drugs, poisons, lime, and other harmful substances, or by the use of traps or nets other than landing nets. [101.45]

Subd. 4. [ARTIFICIAL LIGHTS.] The commissioner may issue permits to take turtles with the use of artificial lights in designated waters. [97.48 s. 21]

Sec. 54. [97C.611] [SNAPPING TURTLES; LIMITS.]

*A person may not possess more than ten snapping turtles of the species *Chelydra serpentina*. The size of the turtles must have a dorsal surface of the shell that measures at least ten inches long. [101.45]*

Sec. 55. [97C.615] [COMMISSIONER MAY REMOVE TURTLES.]

The commissioner may take turtles with seines, nets, and other devices. The commissioner may hire or contract persons, or issue permits, to take the turtles. The commissioner shall prescribe the manner of taking and disposal. The commissioner may award a contract under this section without competitive bidding. Before establishing the contractor's compensation, the commissioner must consider the qualifications of the contractor, including the contractor's equipment, knowledge of the waters, and ability to perform the work. [97.48 s. 4]

Sec. 56. [97C.621] [AREAS MAY BE CLOSED TO TAKING TURTLES.]

The commissioner may prohibit the taking of turtles from state waters where operations are being conducted to aid fish propagation. [97.48 s. 17]

MUSSELS AND CLAMS**Sec. 57. [97C.701] [TAKING MUSSELS.]**

Subdivision 1. [COMMISSIONER'S AUTHORITY.] The commissioner may prescribe conditions for taking mussels. [97.-48 s. 5]

Subd. 2. [USE OF BOATS TO TAKE MUSSELS.] A person may not use more than one boat or rig to take mussels except a boat for towing without a mussel-taking apparatus attached. [102.24 s. 2]

Subd. 3. [NUMBER AND SIZE OF BARS RESTRICTED.] While taking mussels a person may not:

(1) possess more than four crow-foot bars or bars having hooks attached;

(2) have more than two bars in the water; or

(3) use bars longer than 20 feet in length. [102.24 s. 2]

Subd. 4. [DREDGES; RESTRICTIONS.] A person may only use one dredging apparatus to take mussels. The dredge openings may not be greater than three feet or have prongs longer than four inches. [102.24 s. 2]

Subd. 5. [PITCHFORKS PERMITTED FOR CLAM SHELLS.] A person may use a pitchfork to gather clam shells. [102.24 s. 2]

Subd. 6. [POSSESSION, SALE, AND TRANSPORTATION.] Mussels and clams may be possessed, bought, sold, and transported in any quantity during the open season and seven days after the season closes. [102.23]

Sec. 58. [97C.705] [MUSSEL SEASONS.]

Subdivision 1. [OPEN SEASON.] The open season for taking mussels is from May 16 to the last day of February. [102.24 s. 1]

Subd. 2. [CLOSED AREAS.] The commissioner may close up to 50 percent of the mussel producing waters of the state to the taking of mussels. [97.48 s. 5]

Sec. 59. [97C.711] [MUSSEL SIZE LIMITS.]

A person may not take mussels less than 1-3/4 inches in the greatest dimension, except pigtoes. A person must return undersized mussels to the water without injury. [102.24 s. 1, 2]

NETTING AND COMMERCIAL FISHING

Sec. 60. [97C.801] [TAKING ROUGH FISH ON MISSISSIPPI AND MINNESOTA RIVERS.]

Subdivision 1. [ROUGH FISH ON MINNESOTA AND MISSISSIPPI RIVERS.] (a) A license is required to take rough fish by set line in the Minnesota river from Mankato to its junction with the Mississippi river, and in the Mississippi river from St. Anthony Falls to the St. Croix junction. [98.46 s. 9]

(b) A person may use only one set line to take rough fish in the Minnesota river from Mankato to its junction with the Mississippi river, and in the Mississippi river from St. Anthony Falls to the St. Croix river junction, and the set line must:

- (1) have not more than ten hooks;*
- (2) be set only in the flowing waters of the river;*
- (3) staked only at one end; and*

(4) *remain at the location designated in the application for license unless approval of the commissioner has been given to change the location.* [102.25 s. 2]

(c) *Notwithstanding section 40, subdivision 1, rough fish taken under this subdivision may not be bought or sold.* [98.46 s. 9]

Subd. 2. [COMMERCIAL FISH NETTING AND SET LINES ON MISSISSIPPI RIVER.] (a) *A license is required to commercially take rough fish with seines and set lines in the Mississippi river from the St. Croix river junction to St. Anthony Falls.* [98.46 s. 7, 8]

(b) *A person may take rough fish in the Mississippi river, from the St. Croix river junction to St. Anthony Falls, only with the following equipment and methods:*

(1) *operations shall be conducted only in the flowing waters of the river and in tributary backwaters prescribed by the commissioner;*

(2) *only one set line may be used that has an identification tag and not more than 100 hooks;*

(3) *seines may be used only as prescribed by the commissioner;*

(4) *seines must be hauled to a landing immediately after being placed;*

(5) *two seines may not be joined together in the water;*

(6) *a net may not be raised, laid out, or landed, between sunset and sunrise; and*

(7) *the location of a net or seine may not be changed from the place specified in the license application without notifying the commissioner of the proposed change.* [102.25 s. 1]

Sec. 61. [97C.805] [NETTING OF LAKE WHITEFISH AND CISCOES.]

Subdivision 1. [OPEN SEASON.] *The commissioner shall, by order, prescribe the open season and open state waters for netting lake whitefish and ciscoes. The commissioner may prescribe that the date for the open season to begin is prior to the effective date of the order under article 1, section 9, if the commissioner posts notice of the date and time in appropriate public places at least 48 hours before the open season begins.* [97.53 s. 3, 101.41 s. 5]

Subd. 2. [RESTRICTIONS.] (a) The netting of lake whitefish and ciscoes is subject to the restrictions in this subdivision.

(b) A person may not use:

(1) more than two nets;

(2) a net more than 100 feet long; or

(3) a net more than three feet wide.

(c) The mesh size of the nets may not be less than:

(1) one and three-fourths inches, extension measure, for nets used to take ciscoes in Lake Superior; and

(2) three and one-half inches, extension measure, for all other nets.

(d) A net may not be set in water, including ice thickness, deeper than six feet.

(e) The commissioner may designate waters where nets may be set so that portions of the net extend into water deeper than six feet under conditions prescribed by the commissioner to protect game fish. A pole or stake must project at least two feet above the surface of the water or ice at one end of each net.

(f) A net may not be set within 50 feet of another net. [101.41 s. 5]

Subd. 3. [FISH MAY NOT BE SOLD.] Notwithstanding section 40, subdivision 1, lake whitefish and ciscoes taken under this section may not be bought or sold. [101.41, s. 5]

Subd. 4. [NO LIMIT ON ROUGH FISH NETTED.] Lake whitefish and ciscoes taken under this section may be taken and possessed without limit. Rough fish caught while netting may be retained. [101.41 s. 5]

Sec. 62. [97C.811] [COMMERCIAL FISHING IN INLAND WATERS.]

Subdivision 1. [INLAND WATERS DEFINED.] For the purposes of this section and article 1, section 68, subdivision 30, "inland waters" means all waters entirely located within the boundaries of the state and the border waters between Minnesota and North Dakota, South Dakota and Iowa, excluding those waters described in section 60. [102.285 s. 1]

Subd. 2. [COMMERCIAL FISH DEFINED.] For purposes of this section and article 1, section 68, subdivision 30, "commercial fish" are carp; bowfin; burbot; ciscoe; goldeye; rainbow smelt; black bullhead, brown bullhead, and yellow bullhead; lake whitefish; members of the sucker family, Catostomidae, including white sucker, redhorse, bigmouth buffalo, and smallmouth buffalo; members of the drum family, Sciaenidae, including sheepshead; and members of the gar family, Lepisosteidae. [102.285 s. 1]

Subd. 3. [REGULATION.] The commissioner shall, by order, regulate the taking, possession, transportation, and sale of commercial fish, and the licensing of commercial fishing operators in inland waters. [102.285 s. 1]

Subd. 4. [LICENSES REQUIRED.] A person may not commercially fish inland waters without a commercial fishing license. Nonresidents may only be licensed to fish waters not previously assigned to residents. In the license application the applicant must list the number of feet of seine of each depth to be licensed. [98.46 s. 9a, 100.285 s. 1]

Subd. 5. [SEASON.] Licenses to net commercial fish in inland waters are issued to residents and nonresidents annually subject to this section and shall be valid for commercial fishing during the open season for commercial fishing in inland waters from the day after Labor Day to the day before the open season for walleye. [98.46 s. 9a]

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

- (1) the licensee's death;*
- (2) sale of the commercial fishing business;*
- (3) removal of the commercial fishing business from the state;*
- (4) conviction of two or more violations of inland commercial fishing laws within a license period; or*
- (5) failure to apply for a new or renewal license prior to June 15 of any year.*

(b) A commercial inland fishing license is not subject to the license revocation provisions of article 1, section 57. Commercial fishing rights and area assignments covered by a license that becomes void reverts to the commissioner for reassignment. [102.285 s. 6]

Subd. 7. [MONTHLY REPORTS.] A licensed inland commercial fishing operator shall submit a report on the licensed activities the operator was engaged in to the commissioner each month. The report must be on a form provided by the commissioner and submitted prior to the 15th day of the following month. The report shall be submitted whether fishing activity took place unless the operator has a written release from this obligation signed by the commissioner. [102.285 s. 5]

Sec. 63. [97C.815] [COMMERCIAL FISHING AREAS.]

Subdivision 1. [DESIGNATION.] The commissioner shall specify inland commercial fishing areas, taking into account the amount, size, and proximity of waters specified, the species to be removed, and the type and quantity of fishing gear and equipment necessary to provide an adequate removal effort. The commissioner may change inland commercial fishing area boundaries by order prior to a new licensing period. [102.285 s. 2]

Subd. 2. [ASSIGNMENT.] The commissioner shall assign licensed inland commercial fishing operators to commercial fishing areas and each operator shall be obligated to fish in the area that the commissioner has assigned to them. The commissioner's assignment shall be valid as long as the assigned operator continues to purchase a license, continues to provide an adequate removal effort in a good and professional manner, and is not convicted of two or more violations of laws or rules governing inland commercial fishing operations during any one license period. In the operator assignment, the commissioner shall consider the proximity of the operator to the area, the type and quantity of fish gear and equipment possessed, knowledge of the affected waters, and general ability to perform the work well. [102.285 s. 3]

Subd. 3. [UNUSED AREAS.] If an area is not assigned, or the operator licensed for the area is not fishing that area, the commissioner may issue a special inland commercial fishing permit for the area. The permit may be issued to an individual holding a valid inland commercial fishing license. The permit must describe the specific waters involved, the county, the species to be removed, the equipment to be used, and the time period of the total operation. [102.285 s. 4]

Subd. 4. [INLAND COMMERCIAL FISHERMEN'S TRADE ASSOCIATION; LICENSE PROBLEMS.] The commissioner shall consult with representatives of the inland commercial fishermen's trade association when disagreements arise in the areas of license issuance, problems with performance pursuant to the license, area assignments, and the entry of new commercial fishing operators into the inland commercial fishery. [102.285 s. 7]

Sec. 64. [97C.821] [POSSESSION, SALE, AND TRANSPORTATION OF COMMERCIAL FISH.]

Subject to the applicable provisions of the game and fish laws, fish taken under commercial fishing licenses may be possessed in any quantity, bought, sold, and transported during the open seasons provided for the fish, and for seven days after the season closes. Fish frozen or cured during the open season may be transported, bought, and sold at any time. [102.23]

Sec. 65. [97C.825] [LAKE OF THE WOODS AND RAINY LAKE FISHING.]

Subdivision 1. [NEW COMMERCIAL FISHING LICENSES PROHIBITED.] The commissioner may not issue a new commercial fishing license that allows netting of game fish on Lake of the Woods and Rainy Lake. [102.235]

Subd. 2. [RESTRICTIONS ON FISH AND NETS.] The following regulations and restrictions shall apply to all commercial fishing operations conducted in Lake of the Woods and Rainy Lake unless otherwise changed by order of the commissioner under authority of article 1, section 8, subdivision 4:

(a) Any fish, except largemouth bass, smallmouth bass, rock bass, muskellunge, crappies, sturgeon, and sunfish, may be taken subject to all other restrictions contained in the game and fish laws.

(b) Pound net mesh and staked trap net mesh may not be less than 2-1/2 inches nor more than four inches stretch measure in the pound or crib.

(c) Gill net mesh may not be less than four inches stretch measure, and may not be more than 30 meshes in width.

(d) Fyke net mesh may not be less than 2-1/2 inches nor more than four inches stretch measure in the pot or crib. Fyke nets may not have a hoop or opening more than six feet in height, wings more than 100 feet in length, nor a lead more than 400 feet in length.

(e) Submerged trap net mesh may not be less than 2-1/2 inches nor more than three inches stretch measure in the heart, pot, or crib. A submerged trap net may not have a pot or crib exceeding 150 square feet in area, a lead exceeding 300 feet in length, nor a pot or lead exceeding 12 feet in depth. [102.26 s. 1]

Subd. 3. [NET LIMITS FOR INDIVIDUAL OPERATORS.] A person may not operate more than six pound nets, 4,000 feet of gill nets, eight submerged trap nets, ten fyke or staked trap nets, or one pound net station. [102.26 s. 2]

Subd. 4. [NET LOCATION.] Nets may only be set at a place consented to by the commissioner. [102.26 s. 2]

Subd. 5. [NET LIMITS FOR LAKE OF THE WOODS AND RAINY LAKE.] The maximum amount of nets permitted to be licensed shall be:

(a) In Lake of the Woods, 50-pound nets, 80,000 feet of gill nets or 160 submerged trap nets, and 80 fyke or staked trap nets. Licenses for submerged trap nets may be issued instead of licenses for gill nets in the ratio of not more than one submerged trap net per 500 feet of gill net, and the maximum permissible amount of gill nets shall be reduced by 500 feet for each submerged trap net licensed.

(b) In Rainy Lake, 20-pound nets and 20,000 feet of gill nets.

(c) When a licensee has had a license revoked or surrendered, the commissioner shall not be required to issue licenses for the amount of netting previously authorized under the revoked or surrendered license.

(d) Commercial fishing may be prohibited in the Minnesota portions of international waters when it is prohibited in the international waters by Canadian authorities.

(e) The commissioner may adopt rules to limit the total amount of game fish taken by commercial fishing operators in Lake of the Woods in any one season and shall apportion the amount to each licensee in accordance with the number and length of nets licensed. [102.26 s. 3]

Subd. 6. [WALLEYE LIMITS, LAKE OF THE WOODS.] The commissioner shall limit the maximum poundage of walleye that may be taken by commercial fishing operators in Lake of the Woods in any one season on the following schedule:

YEAR	SEASONAL COMMERCIAL WALLEYE TAKE IN POUNDS
1984	164,000
1985	150,000
1986	135,000
1987	120,000
1988	100,000

1989	80,000
1990	60,000
1991	30,000
1992	0

The allocation of walleye poundage among the licensees shall be determined by order of the commissioner. [102.26 s. 3a]

Subd. 7. [WALLEYE LIMITS; RAINY LAKE.] The commissioner shall limit the maximum poundage of walleye that may be taken by commercial fishing operators in Rainy Lake in any one season on the following schedule:

YEAR	SEASONAL COMMERCIAL WALLEYE TAKE IN POUNDS
1984	14,500
1985	12,500
1986	10,500
1987	8,500
1988	6,500
1989	4,500
1990	2,500
1991	1,000
1992	0

The seasonal commercial walleye take in pounds in Rainy Lake shall be allocated among the licensees by order of the commissioner. [102.26 s. 3b]

Subd. 8. [GILL NETS; LAKE OF THE WOODS AND RAINY LAKE.] Gill net licenses on Lake of the Woods and Rainy Lake shall be canceled after the 1987 license year. A gill net licensee whose license is canceled in this subdivision retains the walleye quota held at the time of cancellation, subject to the quota phase-out schedule in subdivision 6 or 7. Notwithstanding subdivision 1, the licensee may be issued a

pound or trap net license for the netting of game fish in accordance with the quota of the licensee. [102.26 s. 3c]

Subd. 9. [WALLEYE QUOTAS; SALE, TRANSFER.] An existing licensee may transfer the walleye quota allocated to the licensee under subdivision 6 or 7 to any other existing licensee or, after July 1, 1985, the licensee may sell the quota to the state. If a licensee sells the quota to the state, the licensee must sell the quota for all years remaining in the quota schedule as provided in subdivision 6 or 7. A sale to the state shall be at the present wholesale value of the quota as determined assuming the following:

(1) an allocation to the licensee of the same proportion of the total remaining walleye quota as allocated in the year of sale; and

(2) a walleye wholesale price in the round of \$1.15 per pound. A licensee may elect to receive payment for a sale to the state in a lump sum or in up to four annual installments. A quota sold to the state cancels and is not available for reallocation to another licensee. When a walleye quota is sold to the state and canceled, the gill net license of the licensee is canceled. [102.26 s. 3d]

Subd. 10. [TAKING EGGS FOR PROPAGATION; COMMISSIONER'S RULE.] The commissioner may require a person licensed to take fish for commercial purposes in the waters covered by this section to take eggs for propagation purposes when it can be done in connection with the licensed commercial fishing. The eggs must be taken under rules prescribed by the commissioner. [102.26 s. 4]

Sec. 66. [97C.831] [NAMAKAN AND SAND POINT LAKES; COMMERCIAL FISHING.]

Subdivision 1. [LAKE WHITEFISH AND ROUGH FISH.] Lake whitefish and rough fish may be taken by licensed commercial fishing operators unless otherwise changed by order of the commissioner, under section 61, subdivision 1, from Namakan Lake and Sand Point Lake. [102.27 s. 1]

Subd. 2. [GILL NETS PROHIBITED ON SAND POINT LAKE.] Gill nets may not be used in Sand Point Lake. [102.27 s. 1]

Subd. 3. [MAXIMUM AMOUNT OF NETS IN SAND POINT LAKE.] The maximum amount of nets permitted to be licensed in Sand Point Lake shall be 12 pound, fyke, or submerged trap nets. [102.27 s. 3]

Subd. 4. [MAXIMUM AMOUNT OF NETS IN NAMAKAN LAKE.] The maximum amount of nets that may be licensed in

Namakan Lake shall be (1) 7,000 feet of gill net, with a mesh not less than four inches stretch measure, and (2) 12 pound, fyke, or submerged trap nets. [102.27 s. 2]

Sec. 67. [97C.835] [LAKE SUPERIOR COMMERCIAL FISHING.]

Subdivision 1. [COMMERCIAL FISHING LICENSE FOR LAKE SUPERIOR.] (a) A license to fish commercially in Lake Superior shall be issued only to a resident who possesses 5,000 feet of gill net of mesh sizes permitted in subdivisions 4 and 5 or two pound nets, has landed fish in the previous year with a value of at least \$1,500, except for those state waters from Duluth to Silver Bay upon the discretion of the commissioner, and has engaged in commercial fishing for at least 50 days of the previous year. An applicant shall be issued a license without meeting these requirements if the applicant is 65 or more years of age and has held a license continuously since 1947. An applicant may be issued a license, at the discretion of the commissioner, if failure to meet these requirements resulted from illness or other mitigating circumstances, or the applicant has reached the age of 65 and has been licensed at least ten of the previous 15 years. Persons receiving licenses under these provisions for applicants 65 years of age or more must be in attendance at the setting and lifting of nets. The commissioner may issue multiple licenses to individuals who meet these requirements and have held multiple licenses prior to 1978. [98.46 s. 12]

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

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

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

(3) has served at least two years as a helper in a Minnesota Lake Superior licensed commercial fishing operation. [98.46 s. 12]

Subd. 2. [TYPES OF FISH PERMITTED.] Lake trout, ciscoes, chubs, alewives, lake whitefish, round whitefish, pygmy whitefish, rainbow smelt, and rough fish may be taken by licensed commercial fishing operators from Lake Superior, in accordance with this section. [102.28 s. 1]

Subd. 3. [POUND NETS AND TRAP NETS.] Pound or trap nets may be used to take round whitefish, pygmy whitefish,

ciscoes, chubs, alewives, rainbow smelt, and rough fish in Lake Superior, including St. Louis Bay, under the rules prescribed by the commissioner. [102.28 s. 2]

Subd. 4. [GILL NETS; LAKE TROUT AND LAKE WHITEFISH.] Gill nets for taking lake trout and lake whitefish may not be less than 4-1/2 inch extension measure mesh. The commissioner may prescribe rules to limit the total amount of gill net to be licensed for the taking of lake trout and lake whitefish and may limit the amount of net to be operated by each licensee. [102.28 s. 3]

Subd. 5. [GILL NETS; CISCOES.] Gill nets for taking ciscoes and chubs may not be less than 2-1/4 inch extension measure mesh and may not exceed 2-3/4 inch extension measure mesh. [102.28 s. 4]

Subd. 6. [MAXIMUM AMOUNT OF GILL NET IN LAKE SUPERIOR.] The amount of gill net licensed in Minnesota waters of Lake Superior may not exceed 300,000 feet of net weighted to fish in a floating or suspended position off the bottom and 300,000 feet of net weighted to fish on the bottom. [102.28 s. 4]

Subd. 7. [MAXIMUM AMOUNT OF GILL NET FOR EACH LAKE SUPERIOR LICENSEE.] A licensee may not operate more than 6,000 feet of gill net weighted to fish in a floating or suspended position off the bottom or 25,000 feet of gill net weighted to fish on the bottom. The commissioner may authorize gill net footage in excess of the individual limits when the commissioner determines that all of the gill net footage permitted for Minnesota waters of Lake Superior would not otherwise be allocated in a license year. The commissioner must allocate this excess gill net footage equitably among the licensees who have applied for it. [102.28 s. 4]

Subd. 8. [SPECIAL PERMITS.] The commissioner may issue special permits to duly licensed commercial fishing operators not exceeding 20 in number, for the purpose of taking trout and lake whitefish spawn during the closed season for the propagation of trout in Lake Superior and adjacent waters under rules prescribed by the commissioner. [102.28 s. 5]

Sec. 68. [97C.841] [HELPER'S LICENSE.]

A person assisting the holder of a master's license, in going to and from fishing locations, or in setting or lifting nets, or removing fish from nets, must have a helper's license, unless the person is the holder of a master's license.

(b) A helper's license is transferable from one helper to another by the holder of a master's license applying to the commissioner. [98.47 s. 9]

Sec. 69. [97C.845] [INTERFERENCE WITH COMMERCIAL FISHING.]

A person may not:

(1) *knowingly place or maintain an obstruction that will hinder, prevent, or interfere with a licensed commercial fishing operation;*

(2) *remove fish from nets licensed under the game and fish laws; or*

(3) *knowingly damage, disturb, or interfere with commercial fishing nets.* [102.29]

Sec. 70. [97C.851] [COMMERCIAL FISHING IN INTERNATIONAL WATERS; RESORT OWNERS.]

A license to buy or sell fish or to take fish commercially in international waters extending from Pigeon Point West to the North Dakota boundary line may not be issued to a person engaged in the business of conducting a summer resort, or to a member of the person's household or to an employee of the person. [98.47 s. 7]

Sec. 71. [97C.855] [UPPER AND LOWER RED LAKE AND NETT LAKE; TRANSPORTATION, SALE, AND DISPOSAL.]

The commissioner may, by order, allow the transportation, sale, and disposal of fish taken within the Red Lake Indian Reservation on Upper Red Lake and Lower Red Lake and from waters within the Nett Lake Indian Reservation also known as Bois Forte Indian Reservation. [102.30]

Sec. 72. [97C.861] [FISH VENDOR REQUIREMENTS.]

Subdivision 1. [LICENSE REQUIRED.] A person may not sell fish with the use of a motor vehicle without a fish vendor's license. [98.46 s. 19]

Subd. 2. [MISREPRESENTATION OF FISH.] (a) A licensed fish vendor or the vendor's employee may not misrepresent a species of fish to be sold. If a licensed fish vendor or employee of the fish vendor is convicted of misrepresenting a species of fish that is sold, the license shall be revoked, and the licensee is not eligible to obtain a fish vendor's license for one year after revocation.

(b) *Misrepresentation includes the designation of fish by a name other than its common name in:*

- (1) *the state; and*
- (2) *in the locality where it was taken if it is not generally known by any common name in the state. [98.46 s. 19(4)]*

Sec. 73. [97C.865] [FISH PACKERS.]

(a) *A person may not prepare dressed game fish for shipment without a fish packer's license. The fish packer must maintain a permanent record of:*

- (1) *the name, address, and license number of the shipper;*
 - (2) *the name and address of the cosignee; and*
 - (3) *the number of each species and net weight of fish in the shipment.*
- (b) *The records of the fish packer must be made available to an enforcement officer upon request. [97.45 s. 6(4)]*

ARTICLE 4

AMENDMENTS TO OTHER STATUTES AND CROSS REFERENCE AMENDMENTS

Section 1. Minnesota Statutes 1984, section 9.071, is amended to read:

9.071 [SETTLEMENT OF CLAIMS; OTHER SPECIFIED POWERS.]

The council has the powers with respect to the:

- (1) Cancellation or compromise of claims due the state provided in sections 10.11 to 10.15;
- (2) Timberlands provided in sections 90.031, 90.041, 90.151;
- (3) Lands acquired from the United States provided in section 94.50;
- (4) Lands subject to delinquent drainage assessments provided in section 84A.20;
- (5) Transfer of lands between departments of state government provided in section 15.16;
- (6) Sale or exchange of lands within national forests provided in sections 92.30, 92.31;

(7) Approval of acquisition of land for camping or parking area provided in (SECTION 97.48) *article 1, sections 26 and 27*;

(8) Modification of iron leases provided in section 93.191;

(9) Awarding permits to prospect for iron ore provided in section 93.17;

(10) Approval of regulations for issuance of permits to prospect for minerals under state lands provided in section 93.08;

(11) Construction of dams provided in section 110.13.

Sec. 2. Minnesota Statutes 1985 Supplement, section 14.02, subdivision 4, is amended to read:

Subd. 4. [RULE.] "Rule" means every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by it or to govern its organization or procedure. It does not include (a) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; (b) rules of the commissioner of corrections relating to the internal management of institutions under the commissioner's control and those rules governing the inmates thereof prescribed pursuant to section 609.105; (c) rules of the division of game and fish published in accordance with *article 1, section (97.53) 9*; (d) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs; (e) opinions of the attorney general; (f) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931; (g) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932; (h) the comprehensive statewide plan of the crime control planning board provided in section 299A.03; or (i) occupational safety and health standards provided in section 182.655.

Sec. 3. Minnesota Statutes 1984, section 14.38, subdivision 6, is amended to read:

Subd. 6. [EXEMPT RULES.] Rules adopted, amended, suspended, or repealed by any agency but excluded from the definition of "rule" in section 14.02, subdivision 4, shall have the force and effect of law upon compliance with subdivision 7.

However, subdivisions 5 to 9 do not apply to:

(1) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; or,

(2) opinions of the attorney general; or,

(3) rules published in accordance with *article 1*, section (97.53) 9.

Sec. 4. Minnesota Statutes 1984, section 18.021, subdivision 3, is amended to read:

Subd. 3. [DESTRUCTIVE OR NUISANCE ANIMALS.] "Destructive or nuisance animals" includes such animals as rats, gophers, mice, and other unprotected wild animals as defined in (MINNESOTA STATUTES 1961,) *article 2*, section (100.26) 53, (AND ACTS AMENDATORY THEREOF,) which the commissioner may designate as dangerous to the welfare of the people.

Sec. 5. Minnesota Statutes 1984, section 84.0274, subdivision 6, is amended to read:

Subd. 6. [STATE'S RESPONSIBILITIES.] When the state proposes to purchase land for natural resources purposes, the commissioner of natural resources and, where applicable, the commissioner of administration shall have the following responsibilities:

(a) The responsibility to deal fairly and openly with the landowner in the purchase of property;

(b) The responsibility to refrain from discussing price with the landowner before an appraisal has been made. In addition, the same person shall not both appraise and negotiate for purchase of a tract of land;

(c) The responsibility to use private fee appraisers to lower the state's acquisition costs to the greatest extent practicable; and

(d) The responsibility to acquire land in as expeditious a manner as possible. No option shall be made for a period of greater than two months if no survey is required or for nine months if a survey is required, unless the landowner, in writing, expressly requests a longer period of time. Provided that, if county board approval of the transaction is required pursuant to *article 1*, section (97.481) 23, no time limits shall apply. If the state elects not to purchase property upon which it has an option, it shall pay the landowner \$500 after the expiration of the option period. If the state elects to purchase the property, unless the landowner elects otherwise, payment to the landowner shall be made no later than 90 days following the state's election to purchase the property provided that the title is marketable and the owner acts expeditiously to complete the transaction.

Sec. 6. [84.034] [MAINTENANCE OF CEMETERY IN WHITEWATER WILDLIFE MANAGEMENT AREA.]

The commissioner shall maintain in a proper and decent manner and keep free of weeds any cemetery in the Whitewater state wildlife management area. [99.251]

Sec. 7. [84.0894] [ENFORCEMENT OF AQUATIC PLANTS AND ENDANGERED SPECIES.]

An enforcement officer shall enforce a violation of sections 8 to 12 in the same manner as a violation of the game and fish laws. [97.50 s. 1, 5]

Sec. 8. [84.0895] [PROTECTION OF THREATENED AND ENDANGERED SPECIES.]

Subdivision 1. [PROHIBITION.] Notwithstanding any other law, a person may not take, import, transport, or sell any portion of an endangered species of wild animal or plant, or sell or possess with intent to sell an article made with any part of the skin, hide, or parts of an endangered species of wild animal or plant, except as provided in subdivisions 2 and 7. [97.488 s. 7]

Subd. 2. [APPLICATION.] (a) Subdivision 1 does not apply to:

(1) plants on land classified for property tax purposes as class 2a or 2c agricultural land under section 273.13, or on ditches and roadways; and

(2) noxious weeds designated pursuant to sections 18.171 to 18.315 or to weeds otherwise designated as troublesome by the department of agriculture.

(b) If control of noxious weeds is necessary, it takes priority over the protection of endangered plant species, as long as a reasonable effort is taken to preserve the endangered plant species first.

(c) The taking or killing of an endangered plant species on land adjacent to class 3 or 3b agricultural land as a result of the application of pesticides or other agricultural chemical on the class 3 or 3b land is not a violation of subdivision 1, if reasonable care is taken in the application of the pesticide or other chemical to avoid impact on adjacent lands. For the purpose of this paragraph, class 3 or 3b agricultural land does not include timber land, waste land, or other land for which the owner receives a state paid wetlands or native prairie tax credit.

(d) The accidental taking of an endangered plant, where the existence of the plant is not known at the time of the taking, is not a violation of subdivision 1. [97.488 s. 1a]

Subd. 3. [DESIGNATION.] (a) The commissioner shall adopt rules under chapter 14, to designate species of wild animal or plant as:

(1) endangered, if the species is threatened with extinction throughout all or a significant portion of its range;

(2) threatened, if the species is likely to become endangered within the foreseeable future throughout all or a significant portion of its range; or

(3) species of special concern, if although the species is not endangered or threatened, it is extremely uncommon in this state, or has unique or highly specific habitat requirements and deserves careful monitoring of its status. Species on the periphery of their range that are not listed as threatened may be included in this category along with those species that were once threatened or endangered but now have increasing or protected, stable populations.

(b) The range of the species in this state is a factor in determining its status as endangered, threatened, or of special concern. A designation by the secretary of the interior that a species is threatened or endangered is a prima facie showing under this section.

(c) The commissioner shall reevaluate the designated species list every three years after it is first adopted and make appropriate changes. The review must consider the need for further protection of species on the species of special concern list. Species may be withdrawn from designation in the same manner that species are designated. [97.488 s. 2]

Subd. 4. [STUDIES.] The commissioner may conduct investigations to determine the status and requirements for survival of a resident species of wild animal or plant. [97.488 s. 3]

Subd. 5. [MANAGEMENT.] (a) Notwithstanding any other law, the commissioner may undertake management programs, issue orders, and adopt rules necessary to bring a resident species of wild animal or plant that has been designated as threatened or endangered to a point at which it is no longer threatened or endangered.

(b) Subject to the provisions of subdivision 6, management programs for endangered or threatened species include research, census, law enforcement, habitat acquisition, habitat maintenance, propagation, live trapping, transplantation, and regulated taking. [97.488 s. 4]

Subd. 6. [ENFORCEMENT.] A peace officer or conservation officer, pursuant to chapter 626, may execute a warrant to search

for and seize goods, merchandise, plant or animal taken, sold or offered for sale in violation of this section, or items used in connection with a violation of this section. Seized property must be held pending judicial proceedings. Upon conviction, seized property is forfeited to the state and must be offered to a scientific or educational institution or destroyed. [97.488 s. 5]

Subd. 7. [GENERAL EXCEPTIONS.] (a) The commissioner may prescribe conditions for an act otherwise prohibited by subdivision 1 if:

(1) the act is for the purpose of zoological, educational, or scientific study;

(2) the act enhances the propagation or survival of the affected species;

(3) the act prevents injury to persons or property; or

(4) the social and economic benefits of the act outweigh the harm caused by it.

(b) A member of an endangered species may not be destroyed under clauses (3) or (4) until all alternatives, including live trapping and transplantation, have been evaluated and rejected. The commissioner may prescribe conditions to propagate a species or subspecies.

(c) A person may capture or destroy a member of an endangered species, without permit, to avoid an immediate and demonstrable threat to human life or property.

(d) The commissioner must give approval under this subdivision for forest management, including permit, sale, or lease of land for timber harvesting. [97.488 s. 6]

Subd. 8. [APPLICATION.] This section does not apply retroactively or prohibit importation into this state and subsequent possession, transport, and sale of wild animals, wild plants, or parts of wild animals or plants that are legally imported into the United States or legally acquired and exported from another territory, state, possession, or political subdivision of the United States. [97.488 s. 7]

Subd. 9. [VIOLATIONS.] A violation of this section is a misdemeanor. [97.488 s. 8]

Sec. 9. [84.091] [AQUATIC VEGETATION IN PUBLIC WATERS.]

Subdivision 1. [OWNERSHIP.] The state is the owner of wild rice and other aquatic vegetation growing in public waters.

A person may not acquire a property interest in wild rice or other aquatic vegetation or destroy wild rice or aquatic vegetation, except as authorized under this chapter. [97.42]

Subd. 2. [LICENSE REQUIRED.] A person may not harvest, buy, sell, transport, or possess aquatic plants without a license required under this chapter. A license shall be issued in the same manner as provided under the game and fish laws. [98.45 s. 1; 98.50 s. 1]

Subd. 3. [LICENSE FEES.] (a) The fees for the following licenses, to be issued to residents only, are:

(1) for harvesting wild rice, \$10; [98.46 s. 3]

(2) for buying and selling wild ginseng, \$5; [98.46 s. 3]

(3) for a wild rice dealer's license to buy and sell 50,000 pounds or less, \$70; and [98.46 s. 18]

(4) for a wild rice dealer's license to buy and sell more than 50,000 pounds, \$250. [98.46 s. 18]

(b) The weight of the wild rice shall be determined in its raw state. [98.46 s. 18]

Sec. 10. [84.092] [PERMITS TO HARVEST OR DESTROY AQUATIC PLANTS OTHER THAN WILD RICE.]

Subdivision 1. [AUTHORIZATION.] The commissioner may issue permits, with or without a fee, to:

(1) gather or harvest aquatic plants, or plant parts, other than wild rice from public waters;

(2) transplant any aquatic plants into other public waters;

(3) destroy harmful or undesirable aquatic vegetation or organisms in public waters under prescribed conditions to protect the waters, desirable species of fish, vegetation, other forms of aquatic life, and the public. An application for a permit must be accompanied by a permit fee, if required. [98.48 s. 9]

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 \$100 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) *A fee may not be charged to the state or a federal governmental agency applying for a permit.*

(c) *The money received for the permits under this subdivision shall be deposited in the treasury and credited to the game and fish fund.* [98.48 s. 9]

Subd. 3. [PERMIT STANDARDS.] *The commissioner shall, by order, prescribe standards to issue and deny permits under subdivision 2. The standards must insure that aquatic plant control is consistent with shoreland conservation ordinances, lake management plans and programs, and wild and scenic river plans.* [98.48 s. 9]

Sec. 11. [84.093] [WILD GINSENG.]

The commissioner may establish regulations including seasons for harvesting to conserve wild ginseng. [97.48 s. 18a]

Sec. 12. [84.151] [WILD RICE.]

Subdivision 1. [REGULATIONS.] *The commissioner shall prescribe rules for harvesting and possessing wild rice.* [97.48 s. 18]

Subd. 2. [LICENSE REQUIRED.] *A person who buys wild rice within the state for resale to anyone except consumers, or sells wild rice imported from outside the state to anyone within the state except consumers must have a wild rice dealer's license.* [97.48 s. 18]

Subd. 3. [APPLICATION.] (a) *An application for a wild rice dealer's license must be made under a written oath. The form of a wild rice dealer's license application must include:*

(1) *the amount of wild rice, whether raw or processed, bought or sold by the applicant during the preceding calendar year;*

(2) *the amount of wild rice the applicant estimates will be bought or sold under the license; and*

(3) *other pertinent information required by the commissioner.*

(b) *The license fee must be paid in advance, based on the applicant's estimate. A license may not be issued for a fee based on a lesser amount of wild rice than was bought or sold by the applicant during the preceding calendar year.* [98.46 s. 18]

Subd. 4. [SUPPLEMENTAL LICENSE.] *A wild rice dealer may not buy or sell wild rice for which a license is required*

in excess of the amount covered by the license. If a wild rice dealer desires to buy or sell wild rice in excess of the licensed amount, the dealer must apply for a supplemental license. The supplemental license shall be issued for the additional amount of wild rice upon payment of the prescribed fee, less credit for the fees paid for the previous license or licenses issued for the same calendar year. When the supplemental license is issued, the previous licenses held by the dealer shall be surrendered to the commissioner. [98.46 s. 18]

Subd. 5. [REPORTING REQUIREMENTS FOR BUYING WILD RICE.] *Raw rice purchased by a dealer must be reported in accordance with this subdivision. A wild rice dealer shall submit an annual report to the commissioner and keep a complete record in a book of all wild rice bought or sold during the period covered by the license. The record book must show: (1) the date of each transaction; (2) the names and addresses of all parties involved in the transaction other than the dealer; and (3) the amount of wild rice transferred, whether raw or processed. The record book must be available for inspection by the commissioner, the coordinator of wild rice, conservation officer, or agent of the commissioner at all reasonable times. A wild rice dealer must transmit a written report to the commissioner within ten days after the end of each calendar month during the period covered by the license. The commissioner shall prescribe the form of the report which must be signed by the licensee and state the total amount of wild rice bought or sold during the calendar month, whether raw or processed. [98.46 s. 18]*

Subd. 6. [PENALTIES.] (a) *A person is guilty of a misdemeanor who:*

(1) *willfully makes a false statement in an application for a license or in a required report or record; or*

(2) *violates a provision relating to wild rice dealers.*

(b) *Each violation is a separate offense. An acquittal prohibits later prosecution based on a similar charge involving other wild rice in the same transaction.*

(c) *If a wild rice dealer is convicted of two offenses under this subdivision within three years, the dealer's license is null and void and the dealer may not be issued a license for one year after the date of the conviction. [98.46 s. 18]*

Sec. 13. Minnesota Statutes 1984, section 84.88, subdivision 2, is amended to read:

Subd. 2. *A person registered as owner of a snowmobile may be fined not to exceed \$300 if a snowmobile bearing his registration number is operated contrary to the provisions of sections*

84.81 to 84.88, (100.26, SUBDIVISION 1,) or (100.29, SUBDIVISIONS 28 OR 29) *article 2, section 19*. The registered owner may not be so fined if (a) the snowmobile was reported as stolen to the commissioner or a law enforcement agency at the time of the alleged unlawful act, or if (b) the registered owner demonstrates that the snowmobile either was stolen or was not in use at the time of the alleged unlawful act, or if (c) the registered owner furnishes to law enforcement officers upon request the identity of the person in actual physical control of the snowmobile at the time of such violation. The provisions of this subdivision do not apply to any person who rents or leases a snowmobile if such person keeps a record of the name and address of the person or persons renting or leasing such snowmobile, the registration number thereof, the departure date and time, and expected time of return thereof. Such record shall be preserved for at least six months and shall be prima facie evidence that the person named therein was the operator thereof at the time it was operated contrary to sections 84.81 to 84.88, (100.26, SUBDIVISION 1,) or (100.29, SUBDIVISIONS 28 OR 29) *article 2, section 19*. The provisions of this subdivision do not prohibit or limit the prosecution of a snowmobile operator for violating any of the sections referred to in this subdivision.

Sec. 14. Minnesota Statutes 1984, section 84.89, is amended to read:

84.89 [CONFISCATION OF SNOWMOBILE USED IN BURGLARY.]

A law enforcement officer shall seize any snowmobile, as defined in section 84.81, used for the purpose of gaining access to property for the purpose of committing the crime of burglary, as defined in section 609.58. Any snowmobile seized pursuant to this section shall be held, subject to the order of the district court of the county in which the burglary was committed, and shall be confiscated after conviction of the person from whom the snowmobile was seized and disposed of in accordance with the procedure provided for equipment used in committing game and fish violations by *article 1, section (97.50, SUBDIVISION 6) 38*, except that the balance of the proceeds from the sale of a confiscated snowmobile which are paid into the state treasury shall be credited to the general fund.

Sec. 15. Minnesota Statutes 1984, section 84A.02, is amended to read:

84A.02 [MANAGEMENT.]

Red Lake game preserve shall be under the management and control of the department, which shall have, and it is hereby given, full power and authority to make, establish, promulgate, and enforce all necessary rules and regulations, not inconsistent with the laws of the state, for the care, preservation, protection,

breeding, propagation, and disposition of any and all species of wild life therein and the regulation, issuance, sale, and revocation of special licenses or special permits for hunting, fishing, camping, and other uses of this area, not inconsistent with the terms of sections 84A.01 to 84A.11 or other laws of the state now or hereafter applicable thereto. The department shall have power and authority, by means of rules and regulations, to declare the terms and conditions of these licenses and permits and the charges to be made therefor. These regulations may specify and control the terms under and by which wild life may be taken, captured, or killed therein, and under and by which fur-bearing animals, or animals and fish otherwise having commercial value, may be taken, captured, trapped, killed, sold, and removed therefrom. These rules and regulations may also provide for the afforestation and reforestation of lands now or hereafter owned by the state in this game preserve and hunting grounds, and for the sale of merchantable timber from these lands when and where, in the opinion of the department, the same can be sold and removed without damage or injury to the further use and development of the land for a habitat of wild life and game in this game preserve and hunting ground, and for the purposes for which this preserve and hunting ground is established by sections 84A.01 to 84A.11. The department may provide for the policing of this preserve and hunting ground in such manner as may be needful for the proper development and use of the preserve and hunting ground for the purposes specified, and all supervisors, guards, custodians, and caretakers assigned to duty in this preserve and hunting ground shall have and possess the authority and powers of peace officers while in their employment. The department shall also make and enforce such rules and regulations, not inconsistent with the laws of the state, concerning the burning of grass, timber slashings, and other inflammable matter, and the clearing, development, and use of lands in this preserve and hunting ground as may be necessary and advisable to prevent destructive forest fires and grass fires which would injure the use and development of this area for the preservation and propagation of wild life therein, and for the proper protection of the forest and wooded areas thereof. All lands within the boundaries of this preserve and hunting ground shall be subject to such rules and regulations, whether owned by the state or privately, consistent with the rights of the private owners and with the laws of this state now or hereafter applicable thereto. By such rules and regulations there may be established areas and zones within this preserve and hunting ground where hunting, fishing, trapping, or camping may be prohibited or specially regulated, for the purpose of protection and propagation of particular wild life therein.

All rules and regulations adopted and promulgated under the provisions of sections 84A.01 to 84A.11 shall be published in the manner now required by law under the provisions of *article 1*, section (97.53) 9, and shall be, in addition thereto, posted on the boundaries of this preserve and hunting ground.

Sec. 16. Minnesota Statutes 1984, section 85.018, subdivision 8, is amended to read:

Subd. 8. [ENFORCEMENT.] The provisions of this section may be enforced by officers of the department of natural resources as provided in (SECTION 97.50) *article 1, sections 33 to 40.*

Sec. 17. Minnesota Statutes 1984, section 86A.06, is amended to read:

86A.06 [RULES.]

Each managing agency, in consultation with the commissioner of energy, planning and 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. The authority provided by this subdivision does not amend or repeal authority possessed by the commissioner of natural resources pursuant to *article 1, section (97.53) 9, subdivision (2) 3*, and in no way is intended to modify or diminish authority possessed by the commissioner in relation to *article 1, section (97.53) 9, subdivision (2) 3.*

Sec. 18. Minnesota Statutes 1984, section 105.391, subdivision 3, is amended to read:

Subd. 3. Except as provided below, no public waters or wetlands shall be drained, and no permit authorizing drainage of public waters or wetlands shall be issued, unless the public waters or wetlands being drained are replaced by public waters or wetlands which will have equal or greater public value. However, after a state waterbank program has been established, wetlands which are eligible for inclusion in that program may be drained without a permit and without replacement of wetlands of equal or greater public value if the commissioner does not elect, within 60 days of the receipt of an application for a permit to drain the wetlands, to either (1) place the wetlands in the state waterbank program, or (2) acquire it pursuant to *article 1, section (97.481) 28*, or (3) indemnify the landowner through any other appropriate means, including but not limited to conservation restrictions, easements, leases, or any applicable federal program. If the applicant is not offered his choice of the above alternatives, he is entitled to drain the wetlands involved.

In addition, the owner or owners of lands underlying wetlands situated on privately owned lands may apply to the commissioner for a permit to drain the wetlands at any time after the expiration of ten years following the original designation thereof. Upon receipt of an application, the commissioner shall review the current status and conditions of

the wetlands. If he finds that the current status or conditions are such that it appears likely that the economic or other benefits to the owner or owners which would result from drainage would exceed the public benefits of maintaining the wetlands, he shall grant the application and issue a drainage permit. If the application is denied, no additional application shall be made until the expiration of an additional ten years.

Sec. 19. Minnesota Statutes 1984, section 105.391, subdivision 12, is amended to read:

Subd. 12. The designation of waters as "public waters" or "wetlands" pursuant to this section shall not grant any additional or greater right of access to the public to those waters, nor is the commissioner required to acquire access to those waters under *article 1*, section (97.48, SUBDIVISION 15) 27, nor is any right of ownership or usage of the beds underlying those waters diminished. Notwithstanding the designation of waters or lands as public waters or wetlands, all provisions of Minnesota law forbidding trespass upon private lands shall remain in full force and effect.

Sec. 20. Minnesota Statutes 1984, section 105.417, subdivision 4, is amended to read:

Subd. 4. [TROUT STREAMS.] Permits issued after June 3, 1977 to appropriate water for any purpose from streams designated trout streams by the commissioner's orders pursuant to *article 3*, section (101.42) 5, shall be limited to temporary appropriations.

Sec. 21. Minnesota Statutes 1985 Supplement, section 105.74, is amended to read:

105.74 [ADDITIONAL DUTIES OF BOARD.]

In addition to duties elsewhere prescribed, the board has the function defined in sections 105.72 to 105.79 when the decision of the agency in a proceeding involves a question of water policy in one or more of the areas of water conservation, water pollution, preservation and management of wildlife, drainage, soil conservation, public recreation, forest management, and municipal planning under any of the following: Sections 84.57, (97.48, SUBDIVISION 13) *article 1*, section 26, 105.41, 105.42, 105.43, 105.44, 105.64, 106A.011, 106A.015, 115.04, 115.05, and chapter 110.

Sec. 22. Minnesota Statutes 1984, section 111.81, subdivision 1, is amended to read:

Subdivision 1. The governing body of any city or town may expend funds for the control or destruction of harmful or

undesirable aquatic vegetation or organisms in public waters and may cooperate with other such governing bodies and any landowners in such control or destruction. No such control or destruction shall be started unless a permit therefor has been issued by the commissioner of natural resources pursuant to section (98.48, SUBDIVISION 9,) 10 and all work shall be done in accordance with the terms and conditions of such permit.

Sec. 23. Minnesota Statutes 1984, section 343.21, subdivision 8, is amended to read:

Subd. 8. [CAGING.] No person shall cage any animal for public display purposes unless the display cage is constructed of solid material on three sides to protect the caged animal from the elements and unless the horizontal dimension of each side of the cage is at least four times the length of the caged animal. The provisions of this subdivision do not apply to the Minnesota state agricultural society, the Minnesota state fair, or to the county agricultural societies, county fairs, to any agricultural display of caged animals by any political subdivision of the state of Minnesota, or to district, regional or national educational livestock or poultry exhibitions. The provisions of this subdivision do not apply to captive wildlife, the exhibition of which is regulated by *article 1*, section (97.611) 7.

Sec. 24. Minnesota Statutes 1984, section 343.30, is amended to read:

343.30 [INJURY TO BIRDS.]

A person who in any manner maliciously maims, kills, or destroys any bird designated as unprotected by *article 1*, section (100.26) 2, subdivision (2) 52, or who maliciously destroys the nests or eggs of any such bird shall be guilty of a petty misdemeanor.

Sec. 25. Minnesota Statutes 1984, section 352B.01, subdivision 2, is amended to read:

Subd. 2. "Member" means (a) all of the persons referred to and employed on and after July 1, 1943 pursuant to the provisions of Laws 1929, Chapter 355, and all acts amendatory thereof and supplementary thereto, currently employed by the state, whose salaries or compensation is paid out of funds of the state of Minnesota; (b) any conservation officer employed under the provisions of *article 1*, section (97.50) 33, currently employed by the state, whose salary or compensation is paid out of funds of the state; and (c) any crime bureau officer who was employed by the crime bureau and was a member of the highway patrolmen's retirement fund on July 1, 1978, whether or not that person has the power of arrest by warrant after that date, or who is employed as police personnel, with powers of arrest by warrant,

pursuant to the provisions of section 299C.04, and who is currently employed by the state, and whose salary or compensation is paid out of funds of the state.

The term "member" shall not include any person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and 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 fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive 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 executive director to make the required employer contribution in addition to the required employee contribution.

Sec. 26. Minnesota Statutes 1984, section 361.25, is amended to read:

361.25 [REGULATIONS.]

The commissioner shall adopt, in the manner provided in sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62, and shall publish in the manner prescribed in *article 1*, section (97.53) 9, subdivision (2) 3, regulations relating to the application for, and form and numbering of watercraft licenses and the size, form, reflectorize material and display of watercraft license numbers which shall comply with the requirements of the federal watercraft numbering system, placement and regulation of docks, piers, buoys, mooring or marking devices and other structures in the waters of this state, rules of the road for watercraft navigation and standards for equipment used in the towing of persons on water skis, aquaplanes, surfboards, saucers, and other devices, standards for lights, signals, fire extinguishers, bilge ventilation, and lifesaving equipment, standards of safe load and power capacity, accounting, procedural and reporting requirements for county sheriff, designation of and swimming or bathing areas, standards of safety for watercraft offered for rent, lease, or hire; and in accordance with section 361.26, subdivision 2, clause (c), the commissioner shall by no later than January 1, 1975, adopt rules and regulations relating to the use of surface waters of this state by watercraft including but not limited to (1) standards and criteria for resolving conflicts in the use of water surfaces by watercraft, (2) procedures for dealing with problems involving more than one local governmental unit, (3) procedures for local enforcement and (4) procedures for carrying out the provisions of section 361.26, subdivision 2; and such other regulations as he deems necessary to carry out the provisions of this chapter.

Sec. 27. Minnesota Statutes 1984, section 383C.13, is amended to read:

383C.13 [COUNTY AUDITOR; SALARY.]

In each county in this state now or hereafter having a population of more than 150,000 and an area of over 5,000 square miles the county auditor shall receive an annual salary of \$7,000 as full compensation for all services. He shall, on the first day of each month, file in his office a complete statement of all the fees and commissions received by him of every name and nature whatsoever, including his commission as agent of the commissioner of game and fish pursuant to (MINNESOTA STATUTES 1949,) *article 1*, section (98.50) 70, and turn the same into the county treasury.

Sec. 28. Minnesota Statutes 1984, section 477A.12, is amended to read:

477A.12 [ANNUAL APPROPRIATIONS; LANDS ELIGIBLE; CERTIFICATION OF ACREAGE.]

There is annually appropriated to the commissioner of natural resources from the general fund for payment to counties within the state an amount equal to \$3 multiplied by the number of acres of acquired natural resources land, 75 cents multiplied by the number of acres of county-administered other natural resources land, and 37.5 cents multiplied by the number of acres of commissioner-administered other natural resources land located in each county as of July 1 of each year. Lands for which payments in lieu are made pursuant to *article 1*, section (97.49) 11, subdivision (7) 3, and Laws 1973, Chapter 567, shall not be eligible for payments under this section. Each county auditor shall certify to the department of natural resources during July of each year the number of acres of county-administered other natural resources land within his county. The department of natural resources may, in addition to the certification of acreage, require descriptive lists of land so certified. The commissioner of natural resources shall determine and certify the number of acres of acquired natural resources land and commissioner-administered natural resources land within each county.

Sec. 29. Minnesota Statutes 1984, section 477A.13, is amended to read:

477A.13 [TIME OF PAYMENT, DEDUCTIONS.]

Payments to the counties shall be made from the general fund during the month of July of the year next following certification. There shall be deducted from amounts paid any amounts paid to a county or township during the preceding year pursuant to sections 89.036, (97.49, SUBDIVISION 3) *article 1*, section 11,

subdivisions 1 and 2, and 272.68, subdivision 3 with respect to the lands certified pursuant to section 477A.12.

Payments under section 477A.12 must also be reduced by the following percentages of the amounts paid during the preceding year under section 84A.51:

- (1) for the payment made July 15, 1984, 75 percent;
- (2) for the payment made July 15, 1985, 50 percent;
- (3) for the payment made July 15, 1986, 25 percent; and
- (4) for the payment made thereafter, 0 percent.

Sec. 30. [609.661] [PENALTY FOR SET GUNS; SWIVEL GUNS.]

A person who violates a provision relating to set guns or swivel guns is guilty of a gross misdemeanor. [97.55 s. 7]

Sec. 31. [624.719] [POSSESSION OF FIREARM BY NON-RESIDENT ALIEN.]

A nonresident alien may not possess a firearm except to take game as a nonresident under the game and fish laws. A firearm possessed in violation of this section is contraband and may be confiscated. [98.45 s. 4]

Sec. 32. [REPEALER.]

Minnesota Statutes 1984, sections 97.40; 97.41; 97.42; 97.43; 97.431; 97.432; 97.433; 97.44; 97.45; 97.46; 97.47; 97.48; 97.481; 97.482; 97.483; 97.4841, subdivisions 1, 2, and 4; 97.4842, subdivisions 1 and 3; 97.4843, subdivisions 1, 3, and 4; 97.485; 97.487; 97.488, subdivisions 1 and 2 to 8; 97.49; 97.50, subdivisions 2 to 9; 97.501; 97.51; 97.52; 97.53; 97.54; 97.55, subdivisions 1 to 15; 97.56; 97.57; 97.611; 97.81; 97.82; 97.83; 97.85; 97.86; 98.45, subdivisions 1 to 8; 98.455; 98.456; 98.457; 98.46, subdivisions 1, 2a, 2b, 3, 4, 5a, 6 to 13, 16 to 26; 98.465; 98.47, subdivisions 1 to 3, 4 to 13, 15 to 18; 98.48, subdivisions 1 to 4, 6 to 16; 98.49; 98.50; 98.501; 98.51; 98.52, subdivisions 1 to 4; 99.25; 99.251; 99.26; 99.27; 99.28; 99.29; 100.26; 100.27, subdivisions 2 and 5 to 9; 100.271, subdivisions 1 and 3 to 5; 100.272; 100.273, subdivisions 1 to 5, 7, and 8; 100.28; 100.29, subdivisions 1 to 14, 16, 17, 18, 20, 23, 24, and 26 to 33; 100.295; 100.30; 100.303; 100.31; 100.32; 100.33; 100.34; 100.35; 100.36; 100.37; 101.41; 101.411; 101.42; 101.425; 101.43; 101.44; 101.441; 101.45; 101.46; 101.47; 101.48; 101.49; 101.50; 101.51; 102.23; 102.235; 102.24; 102.25; 102.26; 102.27; 102.28; 102.285; 102.29; 102.30; Minnesota Statutes 1985 Supplement, sections 97.484; 97.4841, subdivision 3; 97.4842, subdivision 2;

97.4843, subdivision 2; 97.488, subdivision 1a; 97.50, subdivision 1; 97.55, subdivisions 16 and 17; 97.851; 98.45, subdivision 9; 98.46, subdivisions 2, 5, 14, and 15; 98.47, subdivision 3a; 98.48, subdivision 5; 98.52, subdivision 6; 100.27, subdivisions 1, 3, and 4; 100.271, subdivision 2; 100.273, subdivisions 6 and 9; 100.281; 100.29, subdivisions 15, 19 and 25; and 101.475 are repealed.”

Delete the title and insert:

“A bill for an act relating to natural resources; recodifying the game and fish laws; amending Minnesota Statutes 1984, sections 9.071; 14.38, subdivision 6; 18.021, subdivision 3; 84.0274, subdivision 6; 84.88, subdivision 2; 84.89; 84A.02; 85.018, subdivision 8; 86A.06; 105.391, subdivisions 3 and 12; 105.417, subdivision 4; 111.81, subdivision 1; 343.21, subdivision 8; 343.30; 352B.01, subdivision 2; 361.25; 383C.13; 477A.12; 477A.13; Minnesota Statutes 1985 Supplement, sections 14.02, subdivision 4; and 105.74; proposing coding for new law in Minnesota Statutes, chapters 84; 609; and 624; proposing coding for new law as Minnesota Statutes, chapters 97A; 97B; and 97C; repealing Minnesota Statutes 1984, and 1985 Supplement, chapters 97, 98, 99, 100, 101, and 102.”

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1719, A bill for an act relating to agriculture; providing a milk marketing and price stabilization plan; declaring state policy relating to milk; creating a milk stabilization board; authorizing the board to prescribe milk stabilization plans and maximum and minimum prices for marketing milk; requiring licenses for persons involved in milk marketing; prescribing milk marketing violations; authorizing enforcement of disruptive trade practices; authorizing entry, inspection, and investigation of milk marketing practices; requiring records and reports; providing remedies and penalties for milk marketing violations; prescribing judicial review of board decisions and rulemaking actions; authorizing local advisory boards; authorizing assessments on milk processors; establishing a milk stabilization fund; authorizing a referendum on continuance of stabilized prices; proposing coding for new law as Minnesota Statutes, chapter 32C.

Reported the same back with the following amendments:

Page 5, line 12, delete “two” and insert “three”

Page 5, line 20, delete “three” and insert “two”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1990, A bill for an act relating to local government; authorizing home rule charter or statutory cities to establish economic development districts; granting powers to cities and authorities; amending Minnesota Statutes 1984, sections 116D.04, subdivision 1a; 117.521, subdivision 3; 272.01, subdivision 2; 273.72; 273.73, subdivisions 2 and 8; 273.86, subdivision 1; 355.11, subdivision 5; 462C.02, subdivisions 6 and 9; 465.74, subdivision 7; 471.88, subdivisions 1, 9, and 11; 474.02, subdivision 3; and 474.16, subdivision 2; Minnesota Statutes 1985 Supplement, sections 273.75, subdivision 4; 353.01, subdivision 2a; 462C.12, subdivision 2; and 472B.04; proposing coding for new law as Minnesota Statutes, chapter 458C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 116D.04, subdivision 1a, is amended to read:

Subd. 1a. For the purposes of sections 116D.01 to 116D.07, the following terms have the meanings given to them in this subdivision.

(a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

(b) "Pollution, impairment or destruction" has the meaning given it in section 116B.02, subdivision 5.

(c) "Environmental assessment worksheet" means a brief document which is designed to set out the basic facts necessary to determine whether an environmental impact statement is required for a proposed action.

(d) "Governmental action" means activities, including projects wholly or partially conducted, permitted, assisted, financed, regulated or approved by units of government including the federal government.

(e) "Governmental unit" means any state agency and any general or special purpose unit of government in the state including, but not limited to, watershed districts organized under chapter 112, counties, towns, cities, port authorities (AND),

housing authorities, and *economic development authorities established under sections 13 to 33*, but not including courts, school districts and regional development commissions other than the metropolitan council.

Sec. 2. Minnesota Statutes 1984, section 117.521, subdivision 3, is amended to read:

Subd. 3. The provisions of subdivisions 1 and 2 shall not apply to the acquisition of properties situated wholly or in part within any district for development authorized under Laws 1971, Chapters 548 or 677; or Laws 1973, Chapters 196, 761, or 764; or Laws 1974, Chapter 485; or Minnesota Statutes, Chapters 462, (OR) 458; or *sections 13 to 33*.

Sec. 3. Minnesota Statutes 1984, section 272.01, subdivision 2, is amended to read:

Subd. 2. (a) When any real or personal property which for any reason is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to (1) property leased or used by way of a concession in or relative to the use in whole or part of a public park, market, fair grounds, port authority, *economic development authority established under sections 13 to 33*, municipal auditorium, airport owned by a city, town, county or group thereof but not the metropolitan airports commission, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp, concourse, passenger check-in area or ticket sale counter, boarding area or luggage claim area in connection with a public airport; provided that real estate which is owned by a municipality in connection with the operation of a public airport and which is leased or used for agricultural purposes shall not be exempt.

(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

Sec. 4. Minnesota Statutes 1984, section 273.72, is amended to read:

273.72 [STATEMENT OF PURPOSE.]

The statutes governing the use of tax increment financing in Minnesota have evolved over a long period of time and exist in several different special and general laws. These laws are sometimes inconsistent and provide varying procedures which render them difficult to administer. It is the intent of the legislature, by enacting the Minnesota tax increment financing act, to ratify and confirm the findings, declarations and determinations made by the legislature in connection with chapters 362A, 458, *sections 13 to 33*, 462, 472A and 474 and to establish a uniform set of standards and procedures to be followed when using this method of financing.

Sec. 5. Minnesota Statutes 1984, section 273.73, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] "Authority" means a rural development financing authority created pursuant to chapter 362A, a housing and redevelopment authority created pursuant to chapter 462; a port authority created pursuant to chapter 458; *an economic development authority created pursuant to sections 13 to 33*; a redevelopment agency as defined by chapter 474; a municipality which is administering a development district created pursuant to chapter 472A or any special law, a municipality which undertakes a project pursuant to chapter 474; or a municipality which exercises the powers of a port authority pursuant to any general or special law.

Sec. 6. Minnesota Statutes 1984, section 273.73, subdivision 8, is amended to read:

Subd. 8. [PROJECT.] "Project" means a project as defined in section 362A.01; an industrial development district as defined in section 458.191, subdivision 1; *an economic development district as defined in section 25, subdivision 1*; a project as defined in section 462.421, subdivision 14; a development district as defined in chapter 472A or any special law; or a project as defined in section 474.02, subdivisions 1, 1a or 1b.

Sec. 7. Minnesota Statutes 1985 Supplement, section 273.75, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] 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: (a) to pay the principal of and interest on bonds issued to finance a project;

(b) by a rural development financing authority for the purposes stated in section 362A.01, subdivision 2, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to chapter 458, *by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 13 to 33*, by a housing and redevelopment authority or economic development authority to finance or otherwise pay public redevelopment costs pursuant to chapter 462, by a municipality or economic development authority to finance or otherwise pay the capital and administration costs of a development district pursuant to chapter 472A, by a municipality or redevelopment agency to finance or otherwise pay premiums when due for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, 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. Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 462.445, subdivisions 10 to 13, or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (a) tax increments may not be collected for a program for a period in excess of 12 years after the date of the first interest rate reduction payment for the program, (b) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 273.77 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 (c) not more than 50 percent of the estimated tax increment derived from a project may be used to finance an interest reduction program for owner-occupied single-family dwellings unless a project is located either in an area which would qualify as a redevelopment district or within a city designated as an enterprise zone pursuant to section 273.1312, subdivision 4, clause (c)(3). These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment shall be used for the construction or renovation of a municipally owned building used primarily and regularly for conducting the business of the municipality; 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.

Sec. 8. Minnesota Statutes 1984, section 273.86, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] A developer proposing to construct improvements on property located within an industrial development district as defined in section 458.191, subdivision 1; *an economic development district as defined in section 25*; a development district as defined in section 472A.02, subdivision 3, or any special law; or a redevelopment project as defined in section 462.421, subdivision 14 may apply to the governing body of the city or municipality in which the property is located to obtain deferral of property tax on the improved property, stating the nature and location of the proposed improvement, its estimated cost, and the projected length of construction time. If the governing body finds that the proposed development is consistent with the requirements of the above referred sections, it may approve the application. If the application is approved by June 30, the tax exemption shall be in effect for taxes paid the following year; if it is approved later than June 30, the exemption shall be in effect for taxes paid in the second subsequent taxable year.

Sec. 9. Minnesota Statutes 1985 Supplement, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employee":

- (a) Elected or appointed officers and employees of elected officers.
- (b) District court reporters.
- (c) Officers and employees of the public employees retirement association.
- (d) Employees of the League of Minnesota Cities.
- (e) Officers and employees of public hospitals, owned or operated by or an integral part of, any governmental subdivision or governmental subdivisions.
- (f) Employees of a school district who receive separate salaries for driving their own buses.
- (g) Employees of the Association of Minnesota Counties.
- (h) Employees of the Metropolitan Inter-County Association.
- (i) Employees of the Minnesota Municipal Utilities Association.
- (j) Employees of the metropolitan airports commission if employment initially commences on or after July 1, 1979.

(k) Employees of the Minneapolis employees retirement fund, if employment initially commences on or after July 1, 1979.

(l) Employees of the Range Association of Municipalities and Schools.

(m) Employees of the soil and water conservation districts.

(n) Employees of a county historical society.

(o) *Employees of an economic development authority created under sections 13 to 33.*

Sec. 10. Minnesota Statutes 1984, section 355.11, subdivision 5, is amended to read:

Subd. 5. "Employing unit" means any municipal housing and redevelopment authorities organized pursuant to sections 462.415 to 462.705 and any soil and water conservation district organized pursuant to chapter 40 or any port authority organized pursuant to chapter 458, or any economic development authority organized pursuant to sections 13 to 33, or any hospital district organized or reorganized pursuant to sections 447.31 to 447.37.

Sec. 11. [458.091] [COMPLIANCE EXAMINATIONS; FINANCIAL AUDITS.]

At the request of the city or upon the auditor's initiative, the state auditor may make a legal compliance examination of the authority for that city. Each authority examined must pay the total cost of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received must be deposited in the revolving fund of the state auditor. Each authority shall hire a certified public accountant to annually audit the authority's financial statements. For purposes of this section "authority" includes a port authority created under chapter 458 or any other law and an economic development authority established under sections 13 to 33.

Sec. 12. [458.101] [NO STATE BAILOUT OF PORT AUTHORITIES.]

State appropriations or credit of the state must not be used to pay or guarantee the payment of the debt of a port authority.

Sec. 13. [458C.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] In sections 13 to 33, the terms defined in this section have the meaning given them.

Subd. 2. [AUTHORITY.] "Authority" means an economic development authority, unless specified otherwise.

Subd. 3. [CITY.] "City" means a home rule charter or statutory city.

Subd. 4. [DEVELOPMENT.] "Development" includes redevelopment, and developing includes redeveloping.

Subd. 5. [COST OF REDEVELOPMENT.] "Cost of redevelopment" means, with respect to an economic development district project, the cost of

(a) acquiring property, whether by purchase, lease, condemnation, or otherwise;

(b) demolishing or removing structures or other improvements on acquired properties;

(c) correcting soil deficiencies necessary to develop or use the property for an appropriate use as determined by the authority;

(d) constructing or installing public improvements, including streets, roads, and utilities;

(e) providing relocation benefits to the occupants of acquired properties;

(f) planning, engineering, legal and other services necessary to carry out the functions listed in clauses (a) to (e); and

(g) the allocated administrative expenses of the authority for the project.

Sec. 14. [458C.03] [ECONOMIC DEVELOPMENT AUTHORITY; ESTABLISHMENT.]

A city may, by adopting an enabling resolution in compliance with the procedural requirements of section 16, establish an economic development authority that, subject to section 6, has the powers contained in sections 13 to 33 and a housing and redevelopment authority under chapter 462 or other law, and a city under chapter 472A or other law. If the economic development authority exercises the powers of a housing and redevelopment authority contained in chapter 462 or other law, the city shall exercise the powers relating to a housing and redevelopment authority granted to a city by chapter 462 or other law.

Sec. 15. [458C.04] [LIMIT OF POWERS.]

Subdivision 1. [RESOLUTION.] The enabling resolution may impose the following limits upon the actions of the authority:

(1) that the authority must not exercise any specified powers contained in sections 13 to 33, chapters 462 and 472A or that the authority must not exercise any powers without the prior approval of the city council;

(2) that, except when previously pledged by the authority, the city council may, by resolution, require the authority to transfer any portion of the reserves generated by activities of the authority that the city council determines is not necessary for the successful operation of the authority, to the city general fund, to be used for any general purpose of the city;

(3) that the sale of all bonds or obligations issued by the authority be approved by the city council before issuance;

(4) that the authority follow the budget process for city departments as provided by the city and as implemented by the city council and mayor;

(5) that all official actions of the authority must be consistent with the adopted comprehensive plan of the city, and any official controls implementing the comprehensive plan;

(6) that the authority submit all planned activities for influencing the action of any governmental agency, subdivision, or body to the city council for approval;

(7) that the authority submit its administrative structure and management practices to the city council for approval; and

(8) any other limitation or control established by the city council by the enabling resolution.

Subd. 2. [MODIFICATION OF RESOLUTION.] The enabling resolution may be modified at any time, subject to subdivision 5, and provided that any modification is made in accordance with section 16.

Subd. 3. [REPORT ON RESOLUTION.] Without limiting the right of the authority to petition the city council at any time, each year, within 60 days of the anniversary date of the first adoption of the enabling resolution, the authority shall submit to the city council a report stating whether and how the enabling resolution should be modified. Within 30 days of receipt of the recommendation, the city council shall review the enabling resolution, consider the recommendations of the authority, and make any modification it considers appropriate. Modifications must be made in accordance with the procedural requirements of section 16.

Subd. 4. [COMPLIANCE.] The city council's determination that the authority has complied with the limitations imposed under this section is conclusive.

Subd. 5. [LIMITS; SECURITY.] Limits imposed under this section must not be applied in a manner that impairs the security of any bonds issued or contracts executed before the limit is imposed. The city council must not modify any limit in effect at the time any bonds or obligations are issued or contracts executed to the detriment of the holder of the bonds or obligations or any contracting party.

Sec. 16. [458C.05] [PROCEDURAL REQUIREMENT.]

Subdivision 1. [ENABLING RESOLUTION.] The creation of an authority by a city must be by written resolution known as the enabling resolution. Before adopting the enabling resolution, the city council shall conduct a public hearing. Notice of the time and place of hearing, a statement of the purpose of the hearing, and a summary of the resolution must be published in a newspaper of general circulation within the city once a week for two consecutive weeks. The first publication must appear not more than 30 days from the date of the public hearing.

Subd. 2. [MODIFICATIONS.] All modifications to the enabling resolution must be by written resolution and must be adopted after notice is given and a public hearing conducted as required for the original adoption of the enabling resolution.

Sec. 17. [458C.06] [TRANSFER OF AUTHORITY.]

Subdivision 1. [ECONOMIC DEVELOPMENT, HOUSING, REDEVELOPMENT POWERS.] The city may, by ordinance, divide any economic development, housing, and redevelopment powers granted under chapter 462 and this chapter between the economic development authority and any other authority or commission established under statute or city charter for economic development, housing, or redevelopment.

Subd. 2. [PROJECT CONTROL, AUTHORITY, OPERATION.] The city may, by resolution, transfer the control, authority, and operation of any project as defined in section 273.73, subdivision 8, or any other program or project authorized by chapter 462 or 472A located within the city, from the governmental agency or subdivision that established the project to the economic development authority. The city council may also require acceptance of control, authority, and operation of the project by the economic development authority. The economic development authority may exercise all of the powers that the governmental unit establishing the project could exercise with respect to the project.

When a project or program is transferred to the economic development authority, the authority shall covenant and pledge to perform the terms, conditions, and covenants of the bond indenture or other agreements executed for the security of any bonds issued by the governmental subdivision that initiated the project or program. The economic development authority may exercise all of the powers necessary to perform the terms, conditions, and covenants of any indenture or other agreements executed for the security of the bonds and shall become obligated on the bonds when the project or program is transferred as provided in this subdivision.

Subd. 3. [TRANSFER OF PERSONNEL.] *Notwithstanding any other law or charter provision to the contrary, the city council may, by resolution, place any employees of the housing and redevelopment authority under the direction, supervision, or control of the economic development authority. The placement of any employees under the direction, supervision, or control of the economic development authority does not affect the rights of any employees of the housing and redevelopment authority, including any rights existing under a collective bargaining agreement or fringe benefit plan. The employees shall become employees of the economic development authority.*

Sec. 18. [458C.07] [ECONOMIC DEVELOPMENT AUTHORITY.]

An economic development authority is a public body corporate and politic and a political subdivision of the state with the right to sue and be sued in its own name. An authority carries out an essential governmental function when it exercises its power, but the authority is not immune from liability because of this.

Sec. 19. [458C.08] [COMMISSIONERS; APPOINTMENT, TERMS, VACANCIES, PAY, REMOVAL.]

Subdivision 1. [COMMISSIONERS.] *Except as provided in subdivision 2, clause (d), an economic development authority shall consist of either three, five, or seven commissioners who shall be appointed after the enabling resolution provided for in section 7 becomes effective. The resolution must indicate the number of commissioners constituting the authority.*

Subd. 2. [APPOINTMENT, TERMS; VACANCIES.] (a) *Three-member authority: the commissioners constituting a three-member authority, one of whom must be a member of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of two, four, and six years, respectively. Thereafter all commissioners shall be appointed for six-year terms.*

(b) *Five-member authority: the commissioners constituting a five-member authority, two of whom must be members of the*

city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of two, three, four, and five years respectively and one member for six years. Thereafter all commissioners shall be appointed for six-year terms.

(c) *Seven-member authority: the commissioners constituting a seven-member authority, two of whom must be members of the city council, shall be appointed by the mayor with the approval of the city council. Those initially appointed shall be appointed for terms of one, two, three, four, and five years respectively and two members for six years. Thereafter all commissioners shall be appointed for six-year terms.*

(d) *The enabling resolution may provide that the members of the city council shall serve as the commissioners.*

(e) *The enabling resolution may provide for the appointment of members of the city council in excess of the number required in clauses (a), (b) and (c).*

(f) *A vacancy is created in the membership of an authority when a city council member of the authority ends council membership. A vacancy for this or another reason must be filled for the balance of the unexpired term, in the manner in which the original appointment was made. The city council may set the term of the commissioners who are members of the city council to coincide with their term of office as members of the city council.*

Subd. 3. [INCREASE IN COMMISSION MEMBERS.] *An authority may be increased from three to five or seven members, or from five to seven members by a resolution adopted by the city council following the procedure provided for modifying the enabling resolution in section 16.*

Subd. 4. [COMPENSATION AND REIMBURSEMENT.] *A commissioner, including the president, shall be paid for attending each regular or special meeting of the authority in an amount to be determined by the city council. In addition to receiving pay for meetings, the commissioners may be reimbursed for actual expenses incurred in doing official business of the authority. All money paid for compensation or reimbursement must be paid out of the authority's budget.*

Subd. 5. [REMOVAL FOR CAUSE.] *A commissioner may be removed by the city council for inefficiency, neglect of duty, or misconduct in office. A commissioner shall be removed only after a hearing. A copy of the charges must be given to the commissioner at least ten days before the hearing. The commissioner must be given an opportunity to be heard in person or by counsel at the hearing. When written charges have been submitted against a commissioner, the city council may temporarily suspend the commissioner. If the city council finds*

that those charges have not been substantiated, the commissioner shall be immediately reinstated. If a commissioner is removed, a record of the proceedings, together with the charges and findings, shall be filed in the office of the city clerk.

Sec. 20. [458C.09] [OFFICERS; DUTIES; ORGANIZATIONAL MATTERS.]

Subdivision 1. [BYLAWS, RULES, SEAL.] An authority may adopt bylaws and rules of procedure and shall adopt an official seal.

Subd. 2. [OFFICERS.] An authority shall elect a president, a vice-president, a treasurer, a secretary, and an assistant treasurer. The authority shall elect the president, treasurer, and secretary annually. A commissioner must not serve as president and vice-president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Subd. 3. [DUTIES AND POWERS.] The officers have the usual duties and powers of their offices. They may be given other duties and powers by the authority.

Subd. 4. [TREASURER'S DUTIES.] The treasurer:

- (1) shall receive and is responsible for authority money;*
- (2) is responsible for the acts of the assistant treasurer;*
- (3) shall disburse authority money by check only;*
- (4) shall keep an account of the source of all receipts, and the nature, purpose, and authority of all disbursements; and*
- (5) shall file the authority's detailed financial statement with its secretary at least once a year at times set by the authority.*

Subd. 5. [ASSISTANT TREASURER.] The assistant treasurer has the powers and duties of the treasurer if the treasurer is absent or disabled.

Subd. 6. [TREASURER'S BOND.] The treasurer shall give bond to the state conditioned for the faithful discharge of official duties. The bond must be approved as to form and surety by the authority and filed with the secretary. The bond must be for twice the amount of money probably on hand at any one time, as determined at least annually by the authority. However, the bond must not exceed \$300,000.

Subd. 7. [PUBLIC MONEY.] Authority money is public money.

Subd. 8. [CHECKS.] An authority check must be signed by the treasurer and one other officer named by the authority in a resolution. The check must state the name of the payee and the nature of the claim that the check is issued for.

Subd. 9. [FINANCIAL STATEMENT.] The authority's detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the authority's credits and assets, and its outstanding liabilities in a form required for the city's financial statements. The authority shall examine the statement together with the treasurer's vouchers. If the authority finds that the statement and vouchers are correct, it shall approve them by resolution and enter the resolution in its records.

Sec. 21. [458C.10] [EMPLOYEES; SERVICES; SUPPLIES.]

Subdivision 1. [EMPLOYEES.] An economic development authority may employ an executive director, a chief engineer, other technical experts and agents, and other employees as it may require, and determine their duties, qualifications, and compensation.

Subd. 2. [CONTRACT FOR SERVICES.] The authority may contract for the services of consultants, agents, public accountants, and other persons needed to perform its duties and exercise its powers.

Subd. 3. [LEGAL SERVICES.] The authority may use the services of the city attorney or hire a general counsel for its legal needs. The city attorney or general counsel, as determined by the authority, is its chief legal advisor.

Subd. 4. [SUPPLIES.] The authority may purchase the supplies and materials it needs to carry out sections 13 to 33.

Subd. 5. [CITY PURCHASING.] An authority may use the facilities of its city's purchasing department in connection with construction work and to purchase equipment, supplies, or materials.

Subd. 6. [CITY FACILITIES, SERVICES.] A city may furnish offices, structures and space, and stenographic, clerical, engineering, or other assistance to its authority.

Subd. 7. [DELEGATION POWER.] The authority may delegate to one or more of its agents or employees powers or duties as it may deem proper.

Sec. 22. [458C.11] [CONFLICT OF INTEREST.]

Except as authorized in section 471.88 a commissioner, officer, or employee of an authority must not acquire any financial interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall the person have any financial interest, direct or indirect, in any contract or proposed contract for materials or service to be furnished or used in connection with any project.

Sec. 23. [458C.12] [DEPOSITORIES; DEFAULT; COLLATERAL.]

Subdivision 1. [NAMED; BOND.] Every two years an authority shall name national or state banks within the state as depositories. Before acting as a depository, a named bank shall give the authority a bond approved as to form and surety by the authority. The bond must be conditioned for the safekeeping and prompt repayment of deposits. The amount of bond must be at least equal to the maximum sums expected to be deposited at any one time.

Subd. 2. [ONE BANK ACCOUNT.] An authority may deposit all its money from any source in one bank account.

Subd. 3. [DEFAULT; COLLATERAL.] When authority funds are deposited by the treasurer in a bonded depository, the treasurer and the surety on the treasurer's official bond are exempt from liability for the loss of the deposits because of the failure, bankruptcy, or other act or default of the depository. However, an authority may accept assignments of collateral from its depository to secure deposits just as assignments of collateral are permitted by law to secure deposits of the authority's city.

Sec. 24. [458C.13] [OBLIGATIONS.]

Subdivision 1. [TAXES AND ASSESSMENTS PROHIBITED.] An authority must not levy a tax or special assessment, except as otherwise provided in sections 13 to 33, pledge the credit of the state or the state's municipal corporations or other subdivisions, or incur an obligation enforceable on property not owned by the authority.

Subd. 2. [BUDGET TO CITY.] Annually, at a time fixed by charter, resolution, or ordinance of the city, an authority shall send its budget to its city's council. The budget must include a detailed written estimate of the amount of money that the authority expects to need from the city to do authority business during the next fiscal year. The needed amount is what is needed in excess of any expected receipts from other sources.

Subd. 3. [FISCAL YEAR.] The fiscal year of the authority must be the same as the fiscal year of its city.

Subd. 4. [REPORT TO CITY.] Annually, at a time and in a form fixed by the city council, the authority shall make a written report to the council giving a detailed account of its activities and of its receipts and expenditures during the preceding calendar year, together with additional matters and recommendations it deems advisable for the economic development of the city.

Subd. 5. [AUDITS.] The financial statements of the authority must be prepared, audited, filed, and published or posted in the manner required for the financial statements of the city that established the authority. The financial statements must permit comparison and reconciliation with the city's accounts and financial reports. The report must be filed with the state auditor by June 30 of each year. The auditor shall review the report and may accept it or, in the public interest, audit the books of the authority.

Sec. 25. [458C.14] [ECONOMIC DEVELOPMENT DISTRICTS; SCHEDULE OF POWERS.]

Subdivision 1. [ESTABLISHMENT.] An economic development authority may create and define the boundaries of economic development districts at any place or places within the city and may use the powers granted in sections 13 to 33 to carry out its purposes. First the authority must hold a public hearing on the matter. At least ten days before the hearing, the authority shall publish notice of the hearing in a daily newspaper of general circulation in the city. Also, the authority shall find that an economic development district is proper and desirable to establish and develop within the city.

Subd. 2. [ACQUIRE PROPERTY.] The economic development authority may acquire by lease, purchase, gift, devise, or condemnation proceedings the needed right, title, and interest in property to create economic development districts. It shall pay for the property out of money it receives under sections 13 to 33. It may hold and dispose of the property subject to the limits and conditions in sections 13 to 33. The title to property acquired by condemnation or purchase must be in fee simple, absolute. The authority may accept an interest in property acquired in another way subject to any condition of the grantor or donor. The condition must be consistent with the proper use of the property under sections 13 to 33. Property acquired, owned, leased, controlled, used, or occupied by the authority for any of the purposes of this section is for public governmental and municipal purposes and is exempt from taxation by the state or by its political subdivisions. The exemption applies only while the authority holds property for its own purpose. The exemption is subject to the provisions of section 272.02, subdivision 5. When property is sold it begins to be taxed again.

Subd. 2a. [OPTIONS.] The economic development authority may sign options to purchase, sell, or lease property.

Subd. 3. [EMINENT DOMAIN.] The economic development authority may use eminent domain under chapter 117, or under its city's charter to acquire property it is authorized to acquire by condemnation. The authority may acquire in this way property acquired by its owner by eminent domain or property already devoted to a public use only if its city's council approves. The authority may possess property to be condemned after it files a petition in condemnation proceedings describing the property. The authority may abandon the condemnation before taking possession.

Subd. 4. [CONTRACTS.] The economic development authority may make contracts for the purpose of economic development within the powers given it in sections 13 to 33. The authority may contract or arrange with the federal government, or any of its departments, with persons, public corporations, the state, or any of its political subdivisions, commissions, or agencies, for separate or joint action, on any matter related to using the authority's powers or doing its duties. The authority may contract to purchase and sell real and personal property. However, an obligation or expense must not be incurred except when existing appropriations together with the reasonable expected revenue of the authority from other sources are sufficient to discharge the obligation or pay the expense when due. The state and its municipal subdivisions are not liable on the obligations.

Subd. 4a. [LIMITED PARTNER.] The economic development authority may be a limited partner in a partnership whose purpose is consistent with the authority's purpose.

Subd. 5. [RIGHTS; EASEMENTS.] The economic development authority may acquire rights or an easement for a term of years or perpetually for development of an economic development district.

Subd. 6. [SUPPLIES; MATERIALS.] The economic development authority may buy the supplies and materials it needs to carry out this section.

Subd. 7. [RECEIVE PUBLIC PROPERTY.] The economic development authority may accept land, money, or other assistance, whether by gift, loan or otherwise, in any form from the federal or state government, or an agency of either, or a local subdivision of state government to carry out sections 13 to 33 and to acquire and develop an economic development district and its facilities under this section.

Subd. 8. [DEVELOPMENT DISTRICT AUTHORITY.] The economic development authority may sell or lease land held by it for economic development in economic development districts. The authority may, if proper in the public interest, build suitable buildings or structures on land owned by it. The authority may furnish capital equipment permanently or used exclusively on

the lands or in the buildings if necessary to the purposes of the buildings or structures. The authority must intend that the buildings, structures, and equipment be leased or sold to private persons to further develop the economic development district.

The authority may acquire, develop, sell, or lease single or multiple tracts of land regardless of size, to be developed as a part of the economic development of the district under sections 13 to 33.

Subd. 9. [FOREIGN TRADE ZONE.] The economic development authority may apply to the board defined in United States Code, title 19, section 81a, for the right to use the powers provided in United States Code, title 19, sections 81a to 81u. If the right is granted, the authority may use the powers. One authority may apply with another authority.

Subd. 10. [RELATION TO CHAPTER 474.] The economic development authority may exercise powers and duties of a redevelopment agency under chapter 474, for a purpose in sections 13 to 33 or 462.411 to 462.705. The authority may also use the powers and duties in sections 13 to 33 and 462.411 to 462.705 for a purpose in chapter 474.

Subd. 11. [PUBLIC FACILITIES.] The authority may operate and maintain a public parking facility or other public facility to promote development in an economic development district.

Sec. 26. [458C.15] [GENERAL OBLIGATION BONDS.]

Subdivision 1. [AUTHORITY; PROCEDURE.] An economic development authority may issue general obligation bonds in the principal amount authorized by two-thirds majority vote of its city's council. The bonds may be issued in anticipation of income from any source. The bonds may be issued: (1) to secure funds needed by the authority to pay for acquired property or (2) for other purposes in sections 13 to 33. The bonds must be in the amount and form and bear interest at the rate set by the city council. The authority shall sell the bonds to the highest bidder. The authority shall publish notice of the time and the place for receiving bids, once at least two weeks before the bid deadline. Sections 13 to 33 govern issuance of the bonds. When those sections are silent, chapter 475 governs. The authority when issuing the bonds is a municipal corporation under chapter 475. No election shall be required to authorize the issuance of the bonds except as provided in subdivision 2.

Subd. 2. [REFERENDUM ON PETITION.] Before the issuance of the bonds, the city council shall publish in the official newspaper of the city an initial resolution authorizing the issuance of the bonds, and if within 21 days after the publication

there is filed with the city clerk a petition requesting an election on the proposition of issuing the bonds signed by a number of qualified voters greater than ten percent of the number who voted in the city at the last general election, the bonds must not be issued until the proposition has been approved by a majority of the votes cast on it at a regular or special election.

Subd. 3. [OUTSIDE DEBT LIMIT.] Bonds issued by the authority must not be included in the net debt of its city. Money received under this section must not be included in a per person limit on taxing or spending in the city's charter. The authority is also exempt from the limit.

Subd. 4. [DETAIL; MATURITY.] The authority with the consent of its city's council shall set the date, denominations, place of payment, form, and details of the bonds. The bonds must mature serially. The first installment is due in not more than three years and the last in not more than 30 years from the date of issuance.

Subd. 5. [SIGNATURES; COUPONS; LIABILITY.] The bonds must be signed by the president of the authority, be attested by its secretary, and be countersigned by its treasurer; the signatures may be facsimile signatures. The interest coupons if any, must be attached to the bonds. The coupons must be executed and authenticated by the printed, engrossed, or lithographed facsimile signature of the authority's president and secretary. The bonds do not impose any personal liability on a member of the authority.

Subd. 6. [PLEDGE.] The bonds must be secured by the pledge of the full faith, credit, and resources of the issuing authority's city. The authority may pledge the full faith, credit, and resources of the city only if the city specifically authorizes the authority to do so. The city council must first decide whether the issuance of the bonds by the authority is proper in each case and if so, what amount of bonds to issue. The city council shall give specific consent in an ordinance to the pledge of the city's full faith, credit, and resources. The authority shall pay the principal amount of the bonds and the interest on it from taxes levied under this section to make the payment or from authority income from any source.

Subd. 7. [TAX LEVY.] An authority that issues bonds under this section, shall, before issuing them, levy a tax for each year on the taxable property in the authority's city. The tax must be for at least five percent more than the amount required to pay the principal and interest on the bonds as the principal and interest mature. The tax must be levied annually until the principal and interest are paid in full. After the bonds have been delivered to the purchasers, the tax must not be repealed until the debt is paid. After the bonds are issued, the authority need not take any more action to authorize extending, assessing, and collecting

the tax. The authority's secretary shall immediately send a certified copy of the levy to the county auditor. The secretary shall send with the copy full information on the bonds for which the tax is levied. The county auditor shall extend and assess the levied tax annually until the principal and interest are paid in full. The authority shall transfer the surplus from the excess levy in this section to a sinking fund after the principal and interest for which the tax was levied and collected is paid. The authority may direct its secretary to send a certificate to the county auditor before October 15 in a year. The certificate must state how much available income including the amount in the sinking fund the authority will use to pay principal or interest or both on each specified issue of the authority's bonds. The auditor shall then reduce the bond levy for that year by that amount. The authority shall then set aside the certified amount and may not use it for any purpose except to pay the principal and interest on the bonds. The taxes in this section shall be collected and sent to the authority by the county treasurer under the law on collection of other taxes. The taxes must be used only to pay the bonds when due.

Subd. 8. [AUTHORIZED SECURITIES.] Bonds legally issued under this chapter are authorized securities under section 50.14. A savings bank, trust company, or insurance company may invest in them. A public or municipal corporation may invest its sinking funds in them. The bonds may be pledged by a bank or trust company as security for the deposit of public money in place of a surety bond.

The authority's bonds are instrumentalities of a public governmental agency.

Sec. 27. [458C.16] [REVENUE BONDS; PLEDGE; COVENANTS.]

Subdivision 1. [AUTHORITY.] An economic development authority may decide by resolution to issue its revenue bonds either at one time or in series from time to time. The revenue bonds may be issued to provide money to pay to acquire land needed to operate the authority, to purchase or construct facilities, to purchase, construct, install, or furnish capital equipment to operate a facility for economic development of any kind within the city, or to pay to extend, enlarge, or improve a project under its control. The issued bonds may include the amount the authority considers necessary to establish an initial reserve to pay principal and interest on the bonds. The authority shall state in a resolution how the bonds and their attached interest coupons are to be executed.

Subd. 2. [FORM.] The bonds of each series issued by the authority under this section shall bear interest at a rate or rates, shall mature at the time or times within 30 years from the date of issuance and shall be in the form, whether payable to bearer, registrable as to principal, or fully registrable, as may be de-

terminated by the authority. Section 26, subdivision 8, applies to all bonds issued under this section, and the bonds and their coupons, if any, when payable to bearer, shall be negotiable instruments.

Subd. 3. [SALE.] The sale of revenue bonds issued by the authority shall be at public or private sale. The bonds may be sold in the manner and for the price that the authority determines to be for the best interest of the authority. The bonds may be made callable, and if so issued, may be refunded.

Subd. 4. [AGREEMENTS.] The authority may by resolution make an agreement or covenant with the bondholders or their trustee. The authority must first decide that the agreement or covenant is needed or desirable to do what the authority may do under this section and to assure that the revenue bonds are marketable and promptly paid.

Subd. 5. [REVENUE PLEDGE.] In issuing general obligation or revenue bonds, the authority may secure the payment of the principal and the interest on the bonds by a pledge of and lien on authority revenue. The revenue must come from the facility to be acquired, constructed, or improved with the bond proceeds or from other facilities named in the bond-authorizing resolutions. The authority also may secure the payment with its promise to impose, maintain, and collect enough rentals, rates and charges, for the use and occupancy of the facilities and for services furnished in connection with the use and occupancy, to pay its current expenses to operate and maintain the named facilities, and to produce and put enough net revenue in a special fund to meet the interest and principal requirements of the bonds, and to collect and keep any more money required by the resolutions. The authority shall decide what is current expense under this subdivision based on what is normal and reasonable under accepted accounting principles. Revenues pledged by the authority must not be used or pledged for any other authority purpose or to pay any other bonds issued under this section or under section 26, unless the other use or pledge is specifically authorized in the bond-authorizing resolutions.

Subd. 6. [NOT CITY DEBT.] Revenue bonds issued under this section are not a debt of the authority's city nor a pledge of that city's full faith and credit. The bonds are payable only from project revenue as described in this section. A revenue bond must contain on its face a statement to the effect that the economic development authority and its named city do not have to pay the bond or the interest on it except from revenue and that the faith, credit, and taxing power of the city are not pledged to pay the principal of or the interest on the bond.

Subd. 7. [NOT APPLICABLE.] Sections 474.01, subdivisions 7a, 7b, and 8 and 474.02, subdivision 1d, do not apply to revenue bonds issued under this section and chapter 474 if the

interest on the revenue bonds is subject to both state and federal income tax or if the revenue bond proceeds are not loaned by the authority to a private person.

Subd. 8. [TAX INCREMENT BONDS.] Obligations secured or payable from tax increment revenues and issued pursuant to this section or section 26 are subject to the provisions of section 273.77.

Sec. 28. [458C.17] [SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES.]

Sections 474.16 to 474.23 apply to obligations issued under sections 13 to 33 that are limited by a federal limitation act defined in section 474.16, subdivision 5.

Sec. 29. [458C.18] [ADDITIONAL POWERS.]

Subdivision 1. [AS AGENT.] An economic development authority may cooperate with or act as agent for the federal or the state government, or a state public body, or an agency or instrumentality of a government or a public body to carry out sections 13 to 33 or any other related federal, state or local law in the area of economic development district improvement.

Subd. 2. [STUDIES, ANALYSIS, RESEARCH.] An authority may study and analyze economic development needs in the city, and ways to meet the needs. An authority may study the desirable patterns for land use for economic development and community growth and other factors affecting local economic development in the city and make the result of the studies available to the public and to industry in general. An authority may engage in research and give out information on economic development within the city.

Subd. 3. [PUBLIC RELATIONS.] To further an authorized purpose an authority may (1) join an official, industrial, commercial, or trade association, or another organization concerned with the purpose, (2) have a reception of officials who may contribute to advancing the city and its economic development, and (3) carry out other public relations activities to promote the city and its economic development. Activities under this subdivision have a public purpose.

Subd. 4. [ACCEPT PUBLIC LAND.] An authority may accept conveyances of land from all other public agencies, commissions or other units of government, if the land can be properly used by the authority in an economic development district, to carry out the purposes of sections 13 to 33.

Subd. 5. [ECONOMIC DEVELOPMENT.] An authority may carry out the law on economic development districts to

develop and improve the lands in an economic development district to make it suitable and available for economic development uses and purposes. An authority may fill, grade, and protect the property and do anything necessary and expedient, after acquiring the property, to make it suitable and attractive as a tract for economic development. An authority may lease some or all of its lands or property and may set up local improvement districts in all or part of an economic development district.

In general, with respect to an economic development district, an authority may use all the powers given an economic development authority by law.

Subd. 6. [AS BORROWER.] An authority after authorizing bonds under section 26 or 27 may borrow to provide money immediately required for the bond purpose. The loans must not exceed the amount of the bonds. The authority shall by resolution decide the terms of the loans. The loans must be evidenced by negotiable notes due in not more than 12 months from the date of the loan payable to the order of the lender or to bearer, to be repaid with interest from the proceeds of the bonds when the bonds are issued and delivered to the bond purchasers. The loan must not be obtained from any commissioner of the authority or from any corporation, association, or other institution of which an authority commissioner is a stockholder or officer.

Subd. 7. [AS LENDER.] The proceeds of obligations issued by an authority under section 27 and temporary loans obtained under this section may be used to make or purchase loans for economic development facilities that the authority believes will require financing. To make or purchase the loans, the authority may enter into loan and related agreements, both before and after issuing the obligations, with persons, firms, public or private corporations, federal or state agencies, and governmental units under terms and conditions the authority considers appropriate. A governmental unit in the state may apply, contract for, and receive the loans. Chapter 475 does not apply to the loans.

Subd. 8. [MINED SPACE DEVELOPMENT.] Upon delegation by a municipality as provided in section 472B.08, an authority may exercise any of the delegated powers in connection with mined underground space development under sections 472B.03 to 472B.07.

Subd. 9. [CITY FACILITIES, SERVICES.] An authority city may furnish offices, structures, and space, stenographic, clerical, engineering, or other assistance to its authority.

Sec. 30. [458C.19] [SALE OF PROPERTY.]

Subdivision 1. [POWER.] *An economic development authority may sell and convey property owned by it within the city or an economic development district. First, the authority must decide that the sale and conveyance are in the best interests of the city or district and its people, and that the transaction furthers its general plan of economic development. This section is not limited by other law on powers of economic development authorities.*

Subd. 2. [NOTICE; HEARING.] *An authority shall hold a hearing on the sale. At the hearing a taxpayer may testify for or against the sale. At least ten, but not more than 20, days before the hearing the authority shall publish notice of the hearing on the proposed sale in a newspaper. The newspaper must be published and have general circulation in the authority's county and city. The notice must describe the property to be sold and state the time and place of the hearing. The notice must also state that the public may see the terms and conditions of the sale at the authority's office and that at the hearing the authority will meet to decide if the sale is advisable.*

Subd. 3. [DECISION; APPEAL.] *The authority shall make its findings and decision on whether the sale is advisable and enter its decision on its records within 30 days of the hearing. A taxpayer may appeal the decision. The appeal is made by filing a notice of appeal with the district court in the city or economic development district's county and serving the notice on the secretary of the authority, within 20 days after the decision is entered. The only ground for appeal is that the action of the authority was arbitrary, capricious, or contrary to law.*

Subd. 4. [TERMS.] *The terms and conditions of sale of the property must include the use that the bidder will be allowed to make of it. The authority may require the purchaser to file security to assure that the property will be given that use. In deciding the sale terms and conditions the authority may consider the nature of the proposed use and the relation of the use to the improvement of the authority's city and the business and the facilities of the authority in general. The sale must be made on the authority's terms and conditions. The authority may publish an advertisement for bids on the property at the same time and in the same manner as the notice of hearing required in this section. The authority may award the sale to the bid considered by it to be most favorable considering the price and the specified intended use. The authority may also sell the property at private sale at a negotiated price if after its hearing the authority considers that sale to be in the public interest and to further the aims and purposes of sections 13 to 33.*

Subd. 5. [ONE-YEAR DEADLINE.] *The purchaser shall, within one year from the date of purchase, devote the property to its intended use, or shall begin work on the improvements to the property to devote it to that use. If the purchaser fails to do so, the authority may cancel the sale and title to the property*

shall return to it. The authority may extend the time to comply with a condition if the purchaser has good cause. The terms of sale may contain other provisions that the authority considers necessary and proper to protect the public interest. A purchaser must not transfer title to the property within one year of purchase without the consent of the authority.

Subd. 6. [COVENANT RUNNING WITH THE LAND.] A sale made under this section must incorporate in the deed as a covenant running with the land the conditions of sections 13 to 33 relating to the use of the land. If the covenant is violated the authority may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the deed.

Subd. 7. [PLANS; SPECIFICATIONS.] A conveyance must not be made until the purchaser gives the authority plans and specifications to develop the property sold. The authority must approve the plans and specifications in writing. The preparation of final plans and specifications before the hearing on the sale is not required by this subdivision but the authority may make that requirement.

Sec. 31. [458C.20] [ADVANCES BY AUTHORITY.]

An authority may advance its general fund money or its credit, or both, without interest, for the objects and purposes of sections 13 to 33. The advances must be repaid from the sale or lease, or both, of developed or redeveloped lands. If the money advanced for the development or redevelopment was obtained from the sale of the authority's general obligation bonds, then the advances must have not less than the average annual interest rate that is on the authority's general obligation bonds that are outstanding at the time the advances are made. The authority may advance repaid money for more objects and purposes of sections 13 to 33 subject to repayment in the same manner. The authority must still use rentals of lands acquired with advanced money to collect and maintain reserves to secure the payment of principal and interest on revenue bonds issued to finance economic development facilities, if the rentals have been pledged for that purpose under section 27. Advances made to acquire lands and to construct facilities for recreation purposes if authorized by law need not be reimbursed under this section. Sections 13 to 33 do not exempt lands leased from the authority to a private person, or entity from assessments or taxes against the leased property while the lessee is liable for the assessments or taxes under the lease.

Sec. 32. [458C.22] [CITY MAY LEVY TAXES FOR ECONOMIC DEVELOPMENT AUTHORITY.]

Subdivision 1. [CITY TAX LEVY.] A city shall, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be for not more than .75 mill times

the assessed valuation of taxable property in the city. The tax may be levied beyond levy limits in law. The amount levied must be paid by the city treasurer to the treasurer of the authority, to be spent by the authority.

Subd. 2. [ADDITIONAL CITY TAX LEVY.] A city may levy an additional tax to be spent by and for its economic development authority. If levied, the tax must enable the authority to carry out efficiently and in the public interest sections 13 to 33 to create and develop economic development districts. The authority must request the tax levy. In any year the levy must not be for more than 7/60 of one mill on each dollar of assessed valuation of taxable property in the city. The county treasurer shall pay the money levied to the authority treasurer. The money may be spent by the authority to do its duties to create and develop economic development districts. In spending the money the authority must judge what best serves the public interest. The levy in this section is in addition to the levy in subdivision 1. The city may disregard any levy limit in law to make the levy in this section.

Subd. 3. [REVERSE REFERENDUM.] A city may increase its levy for economic development authority purposes under subdivision 1 in the following way. Its city council must first pass a resolution stating the proposed amount of levy increase. The city must then publish the resolution together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or if none exists in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication. After the hearing, the city council may decide to take no action or may adopt a resolution authorizing the proposed increase or a lesser increase. A resolution authorizing an increase must be published in the city's official newspaper or if none exists in a newspaper of general circulation in the city. The resolution is not effective if a petition requesting a referendum on the resolution is filed with the city clerk within 30 days of publication of the resolution. The petition must be signed by voters equaling five percent of the votes cast in the city in the last general election. Then the resolution is only effective if approved by a majority of those voting on the question. The commissioner of revenue shall prepare a suggested form of referendum question. The referendum must be held at a special or general election before October 1 of the year for which the levy increase is proposed.

Sec. 33. [458C.23] [SPECIAL LAW; OPTIONAL USE.]

A city that has established a port authority by special law or that has been granted the power to establish a port authority by special law, or a city whose city council has been authorized to exercise the powers of a port authority by special law may elect to use the powers granted in sections 13 to 33. If the election is made, the powers and duties set forth in sections 13 to 33 super-

sede the special law and the special law must not be used anymore. The use of powers under sections 13 to 33 by a city described in this section does not impair the security of any obligations issued or contracts or agreements executed under the special law. Control, authority, and operation of any project may be transferred to the authority in the manner provided in section 17.

Sec. 34. [LEGISLATIVE FINDINGS.]

The statement of policy and the findings of the legislature in enacting Laws 1957, chapter 812, are confirmed and apply equally to the exercise of powers by economic development authorities and statutory or home rule charter cities pursuant to sections 13 to 33.

Sec. 35. Minnesota Statutes 1984, section 462C.02, subdivision 6, is amended to read:

Subd. 6. "City" means any statutory or home rule charter city, or any public body which (a) is the housing and redevelopment authority in and for a city, (OR) the port authority of a city, or an economic development authority of a city established under sections 13 to 33, and (b) is authorized by ordinance to exercise, on behalf of a city, the powers conferred by sections 462C.01 to 462C.08.

Sec. 36. Minnesota Statutes 1984, section 462C.02, subdivision 9, is amended to read:

Subd. 9. "Targeted area" means

(a) a development district established pursuant to section 472A.03,

(b) a development district established pursuant to Laws 1971, Chapter 677 as amended,

(c) a redevelopment project established pursuant to section 462.521,

(d) an industrial development district established pursuant to section 458.191,

(e) a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income as estimated by the United States department of housing and urban development, (OR)

(f) an area of chronic economic distress designated by the Minnesota housing finance agency, or

(g) *an economic development district established pursuant to section 25.*

Sec. 37. Minnesota Statutes 1985 Supplement, section 462C.12, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The board is granted the following powers:

(a) The board may issue obligations and other forms of indebtedness under this section, subject to the terms and conditions set forth in the joint powers agreement, as may be from time to time amended.

(b) The board is authorized to exercise the powers conferred upon the cities of Minneapolis and St. Paul and their designated housing and redevelopment authorities, or the powers of an agency exercising the powers of a housing and redevelopment authority by this chapter and chapter 462 and any other general or special law of the state of Minnesota relating to housing or housing finance. The powers which may be exercised by the board include, without limitation, the power to undertake and implement projects, developments, or programs, the power to issue and sell obligations and other forms of indebtedness payable exclusively from the revenues of the programs, projects, or developments undertaken by the board, or any of the powers the Minnesota housing finance agency may exercise under chapter 462A, provided that the obligations and other forms of indebtedness may be sold upon terms and conditions as the board may from time to time determine. The board may exercise the powers conferred by this section only with respect to projects, programs, or developments within the corporate limits of the cities of Minneapolis and St. Paul, except as may be otherwise provided in a joint powers agreement entered into under section 471.59 between the board and any other city, housing and redevelopment authority, (OR) port authority or economic development authority established under sections 13 to 33 in the state of Minnesota.

(c) For the purposes of section 462C.09, the board may be authorized by the cities of Minneapolis and St. Paul, or by any other city with which the board enters into a joint powers agreement, to issue revenue bonds or obligations in an amount not to exceed the amount of bonds allocated by general or special law to such cities, or the board may issue mortgage credit certificates in lieu thereof.

Sec. 38. Minnesota Statutes 1984, section 471.88, subdivision 1, is amended to read:

Subdivision 1. The governing body of any port authority, seaway port authority, *economic development authority*, town, school district, hospital district, county, or city, by unanimous

vote, may contract for goods or services with an interested officer of the governmental unit in any of the following cases.

Sec. 39. Minnesota Statutes 1984, section 471.88, subdivision 9, is amended to read:

Subd. 9. When a port authority commissioner or economic development authority commissioner is engaged in or employed by a firm engaged in the business of importing or exporting or general trade, it shall be lawful for the authority to do business with the commissioner or his employer provided that in the fixing of any rates affecting shippers or users of the terminal facility, said commissioner shall not vote thereon.

Sec. 40. Minnesota Statutes 1984, section 471.88, subdivision 11, is amended to read:

Subd. 11. When a commissioner of any public housing (OR), port authority, or economic development authority is employed by a bank engaged in making loans or performing trust services involving real or personal property affected by any plan or such housing or port authority, no restriction shall apply to any such loans made or trust services performed by said bank if the commissioner shall disclose the nature of such loans or trust services of which he has personal knowledge, which disclosure shall be entered upon the minutes of such authority.

Sec. 41. Minnesota Statutes 1985 Supplement, section 472B.-04, is amended to read:

472B.04 [POWERS OF MUNICIPALITY.]

A municipality may, to accomplish the purposes of this chapter:

(1) exercise any or all powers enumerated in chapter 458, but only if the municipality has been granted authority to exercise the powers enumerated in sections 13 to 33, chapters 458, 462, 472, 472A, and 474, in conjunction with the powers granted by this chapter;

(2) provide public facilities pursuant to chapters 429, 430, and any charter provision or any special law;

(3) acquire, by lease, purchase, gift, condemnation, or otherwise, land or interests in land, and convey land or interests in land. A municipality is empowered to acquire by condemnation any property, property right or interest in property, corporate or incorporeal, within its boundaries which may be needed by it for a project, for access, including surface and subsurface access, for ventilation, or for any other purpose which it finds by resolution to be needed by it in connection with mined underground

space development; and the fact that the property or interest in property so needed has been acquired by the owner under the power of eminent domain, or is already devoted to a public use, or is owned by the University of Minnesota, any city, county, school district, town, other municipality, or other governmental subdivision, railroad, or public or private utility, shall not prevent its acquisition by the municipality by the exercise of the right of eminent domain hereby conferred, provided the existing use thereof is not impaired; the necessity of the taking of any property or interest in property by the municipality shall be determined by resolution duly adopted by the governing body of the municipality, which shall describe the property or interest as nearly as it may be described and state the use and purpose to which it is to be devoted; except as otherwise provided in this chapter, the right of eminent domain shall be exercised in accordance with chapter 117, provided that any exercise of the right of eminent domain hereby conferred shall not be for the purpose of preventing the development, mining, and use of mineral resources;

(4) acting alone or with others, acquire, purchase, construct, lease, mortgage, maintain, operate, and convey projects;

(5) borrow money to carry out the purposes of this chapter;

(6) enter into contracts, sue and be sued and do or accomplish all other acts and things necessary or convenient to carry out the purposes and policies of this chapter; and

(7) exercise bonding authority as provided in section 472B.05.

Sec. 42. Minnesota Statutes 1984, section 474.02, subdivision 3, is amended to read:

Subd. 3. "Redevelopment agency" means any port authority referred to in chapter 458, or any city authorized by general or special law to exercise the powers of a port authority; *any economic development authority referred to in sections 13 to 33*; any housing and redevelopment authority referred to in chapter 462 or any body authorized to exercise the powers of a housing and redevelopment authority; and any area or municipal redevelopment agency referred to in chapter 472.

Sec. 43. Minnesota Statutes 1984, section 474.16, subdivision 2, is amended to read:

Subd. 2. "Local issuer" means any home rule charter or statutory city, any town, any housing and redevelopment authority referred to in chapter 462 or any body authorized to exercise the powers of a housing and redevelopment authority, any port authority referred to in chapter 458, *any economic development authority referred to in sections 13 to 33*, or any

body authorized to exercise the powers of a port authority, any area or municipal redevelopment agency referred to in chapter 472, any county, or any other municipal authority or agency established pursuant to special law other than the iron range resources and rehabilitation board, acting as an issuer of obligations pursuant to law.

Sec. 44. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

Delete the title and insert:

“A bill for an act relating to local government; authorizing home rule charter or statutory cities to establish economic development districts; granting powers to cities and authorities; amending Minnesota Statutes 1984, sections 116D.04, subdivision 1a; 117.521, subdivision 3; 272.01, subdivision 2; 273.72; 273.73, subdivisions 2 and 8; 273.86, subdivision 1; 355.11, subdivision 5; 462C.02, subdivisions 6 and 9; 471.88, subdivisions 1, 9, and 11; 474.02, subdivision 3; and 474.16, subdivision 2; Minnesota Statutes 1985 Supplement, sections 273.75, subdivision 4; 353.01, subdivision 2a; 462C.12, subdivision 2; and 472B.-04; proposing coding for new law in Minnesota Statutes, chapter 458; and proposing coding for new law as Minnesota Statutes, chapter 458C.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 2050, A bill for an act relating to theft; modifying circumstances justifying detention of suspects in business establishments; modifying immunity from liability for detention; amending Minnesota Statutes 1985 Supplement, section 629.366, subdivisions 1 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 629.366, subdivision 1, is amended to read:

Subdivision 1. [CIRCUMSTANCES JUSTIFYING DETENTION.] (a) A merchant or merchant’s employee may detain a person (FOR THE SOLE PURPOSE OF DELIVERING HIM OR HER TO A PEACE OFFICER) if the merchant or employee has reasonable cause to believe:

(1) that the person has taken, or is taking, an article of value without paying for it, from the possession of the merchant in his or her place of business or from a vehicle or premises under the merchant's control;

(2) that the taking is done with the intent to wrongfully deprive the merchant of the property or the use or benefit of it; or

(3) that the taking is done with the intent to appropriate the use of property to the taker or any other person.

(b) Subject to the limitations in paragraph (a), a merchant or merchant's employee may detain a person for any of the following purposes:

(1) to require the person to provide identification or verify identification;

(2) to inquire as to whether the person possesses unpurchased merchandise taken from the merchant and, if so, to receive the merchandise;

(3) to inform a peace officer; or

(4) to institute criminal proceedings against the person.

(c) (THE MERCHANT OR EMPLOYEE SHALL DELIVER THE DETAINED PERSON TO A PEACE OFFICER WITHOUT UNNECESSARY DELAY.) The person detained shall be informed promptly of the purpose of the detention and may not be subjected to unnecessary or unreasonable force, nor to interrogation against his or her will. A merchant or merchant's employee may not detain a person for more than one hour unless:

(1) the merchant or employee is waiting to surrender the person to a peace officer, in which case the person may be detained until a peace officer has accepted custody of or released the person; or

(2) the person detained is a minor, or claims to be, and the merchant or employee is waiting to surrender the minor to a peace officer or the minor's parent, guardian, or custodian, in which case the minor may be detained until the peace officer, parent, guardian, or custodian has accepted custody of the minor.

(d) If at any time the person detained requests that a peace officer be summoned, the merchant or merchant's employee must notify a peace officer immediately.

Sec. 2. Minnesota Statutes 1985 Supplement, section 629.366, subdivision 3, is amended to read:

Subd. 3. [IMMUNITY.] No merchant, merchant's employee, or peace officer is criminally or civilly liable for (FALSE ARREST OR FALSE IMPRISONMENT OR WRONGFUL DETENTION) *any action authorized under subdivision 1 or 2 if the arresting person's action is based upon reasonable cause.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 2154, A bill for an act relating to taxation; sales and use; exempting materials consumed in certain manufacturing construction in distressed counties; amending Minnesota Statutes 1985 Supplement, sections 297A.15, subdivision 5; and 297A.257, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 20, after the period insert "*In the case of building materials qualifying under section 297A.257 where the tax was paid by a contractor, application must be made by the owner for the sales tax paid by all the contractors, subcontractors, and builders for the project. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project.*"

Page 2, line 9, after "*chapter*" insert "*, regardless of whether purchased by the owner or a contractor, subcontractor, or builder,*"

Page 2, line 15, delete "\$100,000,000; and" and insert "\$75,000,000."

Page 2, delete lines 16 and 17

Page 2, line 18, after "*of*" insert "*a project qualifying under*"

Page 2, line 20, after the first "*the*" insert "*initial*"

Page 2, delete line 23 and insert:

"This act is effective for purchases and use made after May 1, 1986, provided that the first refunds for construction materials and supplies due as a result of the exemption under section 2 may not be paid by the commissioner before July 15, 1987."

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 2157, A bill for an act relating to education; permitting research sites on performance based education; permitting waiver of certain legal mandates; proposing coding for new law in Minnesota Statutes, chapter 121.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 169.44, subdivision 16, is amended to read:

Subd. 16. [OVERHEAD BOOK RACKS.] Types I and II school buses may be equipped with padded, permanent overhead book racks which do not hang over the center aisle of the bus. The (COMMISSIONER) *state board* of education shall implement this subdivision by rule promulgated before July 1, (1985) 1986.

Sec. 2. Minnesota Statutes 1985 Supplement, section 169.44, subdivision 17, is amended to read:

Subd. 17. ["MN" DESIGNATION IN BUS BODY SERIAL NUMBER.] School bus bodies manufactured after January 1, 1986 and used on streets and highways in this state must bear the designation "MN" in the bus body identification number. The manufacturer of the school bus body certifies by the "MN" designation that the bus body has been manufactured to meet the minimum standards required of school bus bodies by law. A school bus body manufactured before January 2, 1986, that does not bear a current inspection sticker on June 1, (1985) 1986 may not be used on streets and highways in the state after July 1, (1985) 1986, unless its manufacturer recertifies that the school bus body meets minimum standards required of school bus bodies by law. The (COMMISSIONER) *state board* of education shall implement this subdivision by rule promulgated before July 1, (1985) 1986.

Sec. 3. Laws 1985, First Special Session chapter 12, article 8, section 60, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] A task force on an academic high school league is established. The task force shall consist of 15 members appointed by the academic excellence

foundation. The foundation shall appoint at least one member from the state committee of the north central association and one member from the advisory committee for programs of excellence. The task force shall terminate by (JUNE 30) *December 31, 1986.*

Sec. 4. Laws 1985, First Special Session chapter 12, article 8, section 60, subdivision 4, is amended to read:

Subd. 4. [REPORT.] The task force shall report its findings and recommendations to the academic excellence foundation and the education committees of the legislature by (FEBRUARY 1) *December 15, 1986.*

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following the final enactment."

Delete the title and insert:

"A bill for an act relating to education; correcting a delegation of rulemaking authority; extending deadlines for the academic high school league task force; amending Minnesota Statutes 1985 Supplement, section 169.44, subdivisions 16 and 17; and Laws 1985, First Special Session chapter 12, article 8, section 60, subdivisions 1 and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 2169, A bill for an act relating to state lands; providing for a procedure to sell state leased lands; providing for maximum lease rates; proposing coding for new law in Minnesota Statutes, chapter 92; repealing Laws 1985, First Special Session chapter 14, article 17, section 4.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 4, line 3, after "8" insert "*, except as provided in section 3"*

Page 4, after line 3, insert:

"Sec. 3. [92.68] [PROCEEDS AND FUND.]

Subdivision 1. [PROCEEDS OF LAND ACQUISITION ACCOUNT.] In order to ensure that the educational opportunities provided by Minnesota scientific and natural areas as described in section 86A.05, subdivision 5, are adequately available for present and future generations, proceeds under this act that are deposited in the land acquisition account under section 94.165 must be expended on scientific and natural areas.

Subd. 2. [ENDOWMENT FUND.] A natural areas legacy endowment fund shall be established by the commissioner of natural resources in order to accept and receive private contributions for educational opportunities provided by scientific and natural areas. The principal of the fund shall be retained in the endowment fund.

Expenditures from the interest proceeds derived from the principal may be used by the commissioner of natural resources for the protection, management, and inventory of lands with rare and endangered species or undisturbed plant communities that qualify as state scientific and natural areas under section 86A.05, subdivision 5."

Page 4, line 4, delete "[92.68]" and insert "[92.69]"

Page 4, delete section 6

Page 4, line 24, delete "6" and insert "5"

Renumber the sections accordingly

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing for an endowment fund and the disposition of proceeds of the land acquisition account;"

Page 1, line 5, delete everything after "92"

Page 1, line 6, delete everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 2192, A bill for an act relating to education; authorizing school districts to form education districts; providing for additional aid and levy for education districts; authorizing intermediate districts to use levies for education

district purposes; authorizing grants to exemplary education districts; appropriating money; amending Minnesota Statutes 1984, sections 124.272, subdivisions 1, 2, 4, and by adding a subdivision; 136D.27; 136D.74, subdivision 2; 136D.87; Minnesota Statutes 1985 Supplement, sections 124.272, subdivision 3; and 275.125, subdivision 8a; proposing coding for new law in Minnesota Statutes, chapter 123.

Reported the same back with the following amendments:

Page 1, delete lines 22 to 29 and insert:

"Subd. 2. [CRITERIA.] An education district may be formed by a group of school districts that, at the time of formation, meets one of the following criteria:

(1) two or more districts with a combined total enrollment of more than 20,000 pupils in average daily membership; or

(2) a group of districts that has at least 5,000 pupils in average daily membership or at least five districts and, in either case, has cooperated for at least one school year under sections 122.541, 123.351, 471.59, or other formal agreements recognized by the department of education; or

(3) a group of districts that has at least 10,000 pupils in average daily membership or at least ten districts or 7,500 square miles and, in any case, has an agreement to cooperatively provide educational services."

Page 2, delete lines 1 to 9

Page 2, line 29, after *"employ"* insert *"teachers and other"*

Page 2, line 31, delete *"staff"* and insert *"teachers"*

Page 3, line 19, delete *"the"* and insert *"all"*

Page 3, line 20, delete *"unit"* and insert *"units"*

Page 3, line 23, delete *"approval"* and insert *"review and comment"*

Page 3, line 35, delete *"student"* and insert *"pupil"*

Page 3, line 36, delete *"professional"* and after *"services"* insert *"for professional staff"*

Page 4, line 11, delete *"and"* and insert *"or"*

Page 5, line 7, delete "STAFF; ADDITIONAL" and insert "FILLING TEACHING POSITIONS"

Page 6, line 12, delete "approved"

Page 6, line 20, delete "approved"

Page 6, line 28, delete "approved"

Page 8, line 5, before the first "The" insert "Each year" and strike "may each year"

Page 8, line 7, strike "for area vocational"

Page 8, line 8, strike "technical schools" and after the comma insert "may"

Page 8, strike line 9

Page 8, line 10, strike everything before "tax" and strike "may be certified"

Page 8, line 15, delete "approved"

Page 9, line 2, strike everything after the first comma

Page 9, line 3, strike everything before "tax" and strike "may be certified"

Page 9, line 8, delete "approved"

Page 9, line 25, before the first "The" insert "Each year" and strike "may each year"

Page 9, line 27, strike "for area vocational"

Page 9, line 28, strike "technical schools" and after the comma insert "may"

Page 9, strike line 29

Page 9, line 30, strike everything before "tax" and strike "may be certified"

Page 9, line 35, delete "approved"

Pages 10 and 11, delete sections 11 and 12

Page 11, line 18, delete "3, 4, and 5" and insert "7, 8, and 9"

Renumber the sections in sequence

Amend the title as follows :

Page 1, line 7, delete "appropriating money;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred :

H. F. No. 2210, A bill for an act relating to taxation; providing for reduction of the original assessed value of a tax increment financing district in the city of Litchfield.

Reported the same back with the following amendments :

Page 1, line 18, after the period insert "*In no case may the reduction result in an original assessed value for the district that is less than the assessed value of the district determined immediately after the date of the fire.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred :

H. F. No. 2243, A bill for an act relating to marriage dissolution and legal separation; requiring appointment of guardians ad litem in certain child custody proceedings; amending Minnesota Statutes 1984, section 518.165.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

"Section 1. Minnesota Statutes 1984, section 518.165, is amended to read :

518.165 [GUARDIANS FOR MINOR CHILDREN.]

Subdivision 1. [PERMISSIVE APPOINTMENT OF GUARDIAN AD LITEM.] In all proceedings for child custody or for dissolution or legal separation where custody or visitation

of a minor child is in issue, the court may appoint a guardian ad litem from a panel established by the court to represent the interests of the child. The guardian ad litem shall advise the court with respect to custody, support and visitation. (THE COURT MAY ENTER AN ORDER FOR COSTS, FEES AND DISBURSEMENTS IN FAVOR OF THE CHILD'S GUARDIAN AD LITEM. THE ORDER MAY BE MADE AGAINST EITHER OR BOTH PARTIES, EXCEPT THAT ANY PART OF THE COSTS, FEES, AND DISBURSEMENTS WHICH THE COURT FINDS THE PARTIES ARE INCAPABLE OF PAYING SHALL BE BORNE BY THE COUNTY.)

Subd. 2. [REQUIRED APPOINTMENT OF GUARDIAN AD LITEM.] In all proceedings for child custody or for marriage dissolution or legal separation in which custody or visitation of a minor child is an issue, if the minor child is alleged by a party to the proceeding or any other person to be a victim of domestic child abuse or neglect, as those terms are defined in sections 260.015 and 626.556, respectively, the court shall appoint a guardian ad litem. The guardian ad litem shall represent the interests of the child and advise the court with respect to custody, support, and visitation. If the child is represented by a guardian ad litem in any other pending proceeding, the court shall appoint that guardian to represent the child in the instant proceeding. Nothing in this subdivision requires the court to appoint a guardian ad litem in any proceeding for child custody, marriage dissolution, or legal separation in which an allegation of domestic child abuse or neglect has not been made.

Subd. 3. [FEES.] A guardian ad litem appointed under either subdivision 1 or 2 may be appointed either as a volunteer or on a fee basis. If a guardian ad litem is appointed on a fee basis, the court shall enter an order for costs, fees, and disbursements in favor of the child's guardian ad litem. The order may be made against either or both parties, except that any part of the costs, fees, or disbursements which the court finds the parties are incapable of paying shall be borne by the county in which the proceeding is being held. In no event may the court order that costs, fees, or disbursements be paid by a party receiving public assistance or legal assistance or by a party whose annual income falls below the poverty line as established under United States Code, title 42, section 9902 (2) as amended through December 31, 1985."

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 2391, A bill for an act relating to human services; regulating withholding for purposes of child support; amending

Minnesota Statutes 1985 Supplement, section 518.611, subdivisions 4 and 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] Notwithstanding any law to the contrary, the order is binding on the employer, trustee, or other payor of the funds when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. An employer or other payor of funds in this state is required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2, paragraph (b) and shall remit, *(MONTHLY OR MORE FREQUENTLY) within ten days of the date the obligor is paid the remainder of the income*, the amounts withheld to the public authority. *Employers may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment.* Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld.

Sec. 2. Minnesota Statutes 1985 Supplement, section 518.611, subdivision 6, is amended to read:

Subd. 6. [PRIORITY.] An order for withholding under this section or execution or garnishment upon a judgment for child support arrearages or preadjudicated expenses shall have priority over an attachment, execution, garnishment, or wage assignment and shall not be subject to the statutory limitations on amounts levied against the income of the obligor. Amounts withheld from an employee's income must not exceed the maximum permitted under the Consumer Credit Protection Act, United States Code, title 15, section 1673(b)(2). If there is more than one withholding order on a single employee, the employer shall put them into effect, *giving priority first to amounts currently due and not in arrears and then to other amounts, in the (ORDER) sequence in which the withholding orders were received up to the maximum allowed in the Consumer Credit Protection Act.*

Sec. 3. Minnesota Statutes 1984, section 518.611, is amended by adding a subdivision to read:

Subd. 8a. [LUMP SUM PAYMENTS.] Upon the transmittal of the last reimbursement payment to the employee, where lump sum severance pay, accumulated sick pay and vacation pay is paid upon termination of employment, the employer shall withhold the court order support reflecting the number of months' net income that the lump sum payment represents.

Sec. 4. Minnesota Statutes 1985 Supplement, section 518.645, is amended to read:

518.645 [FORM OF ORDER.]

Unless otherwise ordered by the court, an order for withholding of support or maintenance payments issued under this chapter shall be substantially in the following form:

IT IS ORDERED THAT:

1. The sum of per representing child support and/or spousal maintenance, ordered by the Court, shall be withheld from the (Husband/Wife Respondent/Petitioner)'s income on by (his/her) present employer or other payor of funds, , and any future employer or other payor of funds, and shall be remitted to:

..... , monthly or more frequently, in accordance with the provisions of Minnesota Statutes, Chapter 518. The file number above and the Obligor's name shall be included with each remittance.

2. An additional amount equal to 20 percent of the amount required to be withheld by paragraph 1 shall be withheld from the income of the Obligor by the employer or payor until the entire arrearage in paragraph 3(b) is paid.

3. The parties are notified that CHILD SUPPORT AND/OR MAINTENANCE WILL BE WITHHELD FROM INCOME ONLY AFTER ALL OF THE FOLLOWING CONDITIONS HAVE BEEN MET:

(a) or the Obligee determines that the Obligor is at least thirty days in arrears in the payment of child support and/or spousal maintenance;

(b) or the Obligee serves written notice of income withholding on the Obligor showing the determination

that child support and/or maintenance payments are thirty days in arrears;

(c) Within fifteen days after service of the notice of income withholding, the Obligor fails to move the Court to deny withholding on the grounds that an arrearage of 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 of withholding on the employer or other payor of funds until the motion to deny withholding is heard. Within 45 days from the date of the notice of income withholding, the court shall hold the hearing on the motion to deny withholding and notify the parties of its decision; and

(d) Not sooner than 15 days after service of written notice of income withholding on the Obligor, or the Obligee serves a copy of the notice of income withholding and a copy of the Court's withholding order on the employer or other payor of funds, who will then be obligated to withhold payments from income and forward the amount withheld to

4. The parties and the employer or other payor of funds are further notified that **NO EMPLOYER MAY DISCHARGE, SUSPEND, OR OTHERWISE PENALIZE OR DISCIPLINE AN EMPLOYEE BECAUSE THE EMPLOYER MUST WITHHOLD SUPPORT OR MAINTENANCE MONEY.** Minnesota Statutes, section 518.611.

5. The payments shall begin to be withheld no later than the first pay period that occurs after 14 days following the date of mailing of the notice to the employer or other payor of funds in paragraph 3(d) and from that date the employer or other payor of funds is liable for amounts required to be withheld.

6. This order for withholding takes priority over any attachment, execution, garnishment, or wage assignment levied against the income of the Obligor. Amounts withheld are not subject to other statutory limitations on amounts levied against the income of the Obligor but must not exceed the maximum permitted under the federal Consumer Credit Protection Act, United States Code, title 15, section 1673(b)(2). If there is more than one withholding order on a single Obligor, the employer or other payor of funds shall put them into effect in the order received, up to the maximum allowed under the Consumer Credit Protection Act.

7. When the Obligor's employment is terminated or the periodic payment ends, the employer or other payor of funds is required to notify within 30 days of the termination date. The notice must include the Obligor's home address of record and, if known, the name and address of the Obligor's new employer or other payor of funds.

8. Upon transmittal of the last reimbursement payment to the obligor, where lump sum severance pay, accumulated sick pay and vacation pay is paid upon termination of employment, the employer must withhold the court ordered support reflecting the number of months' net income that the lump sum payment represents.

(8.) 9. If the Obligee serves the employer or other payor of funds under paragraph 3(d), the Obligee shall also serve the determination and order on, together with an application and fee to use collection services.

(9.) 10. Service of this Order shall be

Sec. 5. [518.646] [NOTICE OF ORDER.]

Whenever these laws require service of a court's order on an employer, union or payor of funds, service of a verified notice of order may be made in lieu thereof. The verified notice shall contain the title of the action, the name of the court, the court file number, the date of the court order, and shall recite the operative provisions of the order."

Delete the title and insert:

"A bill for an act relating to human services; regulating withholding for purposes of child support; amending Minnesota Statutes 1984, section 518.611, by adding a subdivision; and Minnesota Statutes 1985 Supplement, sections 518.611, subdivisions 4 and 6; and 518.645; proposing coding for new law in Minnesota Statutes, chapter 518."

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 2392, A bill for an act relating to child abuse; providing immunity from liability for disclosure; amending Minnesota Statutes 1985 Supplement, section 626.556, subdivision 4.

Reported the same back with the following amendments:

Page 1, lines 14 and 15, delete the new language

Page 1, line 16, strike "and"

Page 1, line 17, after "(2)" insert "*any social worker or supervisor employed by a local welfare agency complying with subdivision 10d; and*

(3)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

S. F. No. 923, A bill for an act relating to controlled substances; prescribing "small amount" of marijuana; clarifying certain Schedule II controlled substances; prescribing amount of marijuana for possession in a motor vehicle; amending Minnesota Statutes 1984, sections 152.01, subdivision 16; 152.02, subdivision 3; and 152.15, subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

S. F. No. 1014, A bill for an act relating to public safety; subjecting rules relating to drunk driving to certain provisions of the administrative procedure act; repealing rules; providing for the application of certain traffic regulations; eliminating redundant and surplus language; requiring courts to furnish information relating to prior convictions without charge in gross misdemeanor prosecutions of the driving while under the influence of alcohol law; clarifying the prosecution for failure to appear in court; providing for notice to grandparents in certain matters concerning juveniles; providing for rights of grandparents at hearings concerning juveniles; requiring revocation of the drivers license of a person who flees in a motor vehicle from a peace officer; authorizing criminal trials with petit juries composed of six persons for gross misdemeanor prosecutions; clarifying the receipt of a copy of a confession or admission; admitting into evidence for impeachment purposes certain convictions of prior driving offenses; amending Minnesota Statutes 1984, sections 14.02, subdivision 4; 169.02, subdivision 1; 169.121, subdivisions 1, 2, and 3; 169.123, subdivision 2; 169.128; 169.129; 169.92, subdivision 1; 171.17; 171.30, subdivision 1; 260.141, subdivision 1; 260.155, subdivision 6; 593.01, subdivision 2; and 611.033; proposing coding for new law in Minnesota Statutes, chapter 634.

Reported the same back with the following amendments :

Delete everything after the enacting clause and insert :

“Section 1. Minnesota Statutes 1984, section 160.27, subdivision 5, is amended to read :

Subd. 5. [MISDEMEANORS.] Except for the actions of the road authorities, their agents, employees, contractors, and utilities in carrying out their duties imposed by law or contract, and except as herein provided, it shall be unlawful to :

- (1) Obstruct any highway or deposit snow or ice thereon ;
- (2) Plow or perform any other detrimental operation within the road right of way except in the preparation of the land for planting a perennial hay crop, and the harvesting of said crop ;
- (3) Erect a fence on the right of way of a trunk highway, county state-aid highway, county highway or town road, except to erect a lane fence to the ends of a livestock pass ;
- (4) Dig any holes in any highway ; except to locate markers placed to identify sectional corner positions and private boundary corners ;
- (5) Remove any earth, gravel or rock from any highway ;
- (6) Obstruct any ditch draining any highway or drain any noisome materials into any ditch ;
- (7) Place or maintain any building or structure within the limits of any highway ;
- (8) Place or maintain any advertisement within the limits of any highway ;
- (9) Paint, print, place, or affix any advertisement or any object within the limits of any highway ;
- (10) Deface, mar, damage, or tamper with any structure, work, material, equipment, tools, signs, markers, signals, paving, guardrails, drains, or any other highway appurtenance on or along any highway ;
- (11) Remove, injure, displace, or destroy right of way markers, or reference or witness monuments, or markers placed to preserve section or quarter section corners ;
- (12) Improperly place or fail to place warning signs and detour signs as provided by law ;

(13) Drive over, through, or around any barricade, fence, or obstruction erected for the purpose of preventing traffic from passing over a portion of a highway closed to public travel or to remove, deface, or damage any such barricade, fence, or obstruction.

(VIOLATIONS HEREOF SHALL BE PROSECUTED BY THE COUNTY ATTORNEY OF THE COUNTY WHERE THE VIOLATIONS OCCUR.) Any (PERSON CONVICTED OF SUCH VIOLATIONS SHALL BE GUILTY OF) *violation of this subdivision is a misdemeanor.*

Sec. 2. [387.213] [SHERIFF'S CONTINGENT FUND FOR DRUG AND ALCOHOL INVESTIGATIONS.]

A sheriff's contingent fund is created in each county to be kept by the county treasurer as all other county funds. One-fourth of all money paid into the county treasury on account of fines imposed for violation of the provisions of chapter 152 or 340A shall be credited to this contingent fund. The sheriff may expend money from this fund for the purpose of investigating and securing evidence of violations of chapters 152 and 340A. Money may be withdrawn from the fund by the sheriff upon the order of the district court after application. At the close of the fiscal year any money in the fund in excess of \$3,000 shall be transferred into the general fund.

Sec. 3. Minnesota Statutes 1984, section 593.01, subdivision 2, is amended to read:

Subd. 2. The provisions of subdivision 1, as to the number of jurors (DOES) *do not* apply to a criminal action where the offense charged is a (GROSS MISDEMEANOR OR A) felony. In that event the petit jury is a body of 12 persons, unless the defendant consents to a jury of six.

Sec. 4. Minnesota Statutes 1984, section 609.13, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding a conviction is for a felony:

(1) The conviction is deemed to be for a misdemeanor or a gross misdemeanor if the sentence imposed is within the limits provided by law for a misdemeanor or gross misdemeanor as defined in section 609.02; or

(2) The conviction is deemed to be for a misdemeanor if the imposition of the *prison* sentence is stayed, the defendant is placed on probation, and he is thereafter discharged without a *prison* sentence.

Sec. 5. Minnesota Statutes 1985 Supplement, 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 is required by section 609.11, any court may stay imposition or execution of sentence and (a) may order noninstitutional 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 noninstitutional 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 noninstitutional 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 "noninstitutional sanctions" includes but is not limited to restitution, *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. 6. Minnesota Statutes 1984, section 609.135, subdivision 2, is amended to read:

Subd. 2. (1) In case the conviction is for a felony such 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*.

(2) In case the conviction is for a misdemeanor the stay shall not be for more than one year.

(3) In case the conviction is for a gross misdemeanor the stay shall not be for more than two years.

(4) At the expiration of such stay, unless the stay has been revoked or the defendant discharged prior thereto, the defendant shall be discharged.

Sec. 7. Minnesota Statutes 1984, section 609.135, subdivision 4, is amended to read:

Subd. 4. The court may, as a condition of probation, require the defendant to serve up to one year incarceration in a county jail, a county regional jail, a county workfarm, county workhouse or other local correctional facility, *or require the defen-*

dant to pay a fine, or both. The court may allow the defendant the work release privileges of section 631.425 during the period of incarceration.

Sec. 8. Minnesota Statutes 1985 Supplement, section 609.52, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING THEFT.] Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without his consent and with intent to deprive the owner permanently of possession of the property; or

(2) having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for himself or another the possession, custody or title to property of or performance of services by a third person by intentionally deceiving him with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(a) the issuance of a check, draft, or order for the payment of money or the delivery of property knowing that he is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(b) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

(c) the unauthorized use of a financial transaction card, or the number thereof, or other identification device issued by an organization to a person for use in purchasing goods or services on credit; or

(d) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and;

(a) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to him; or

(b) he pledges or otherwise attempts to subject the property to an adverse claim; or

(c) he intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to his own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to him; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to his own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to his own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to him from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof, or any lessee of the property who sells, conveys or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom he sells, conveys, or encumbers that the same is subject to such lease and with intent to deprive the lessor of possession thereof. Evidence that a lessee used a false or fictitious name or address in obtaining the property or fails or refuses to return the property to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in

the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property with knowledge that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive or other connection, or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law Number 94-553, section 107; or

(13) except as provided in paragraphs (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

- (i) made or was aware of the connection; and
- (ii) was aware that the connection was unauthorized; or

(15) *with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or*

(16) *with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it.*

Sec. 9. Minnesota Statutes 1984, section 611.033, is amended to read:

611.033 [COPY OF CONFESSION OR ADMISSION.]

A statement, confession, or admission in writing shall not be received in evidence in any criminal proceeding against any defendant unless within a reasonable time of the taking thereof the defendant is furnished with a copy thereof and which statement, confession, or admission shall have endorsed thereon or attached thereto the receipt of the accused or certification of a peace officer which shall state that a copy thereof has been received by or made available to the accused. *Nothing in this section requires that a videotape, audiotape, or transcript of a tape be given to the defendant at the time the statement, confession, or admission is made or within a reasonable time thereafter, provided that the videotape or audiotape is available to the defendant or the defendant's attorney for review within a reasonable time of the defendant's arrest, as well as in discovery pursuant to the rules of criminal procedure.*"

Delete the title and insert:

"A bill for an act relating to crimes; providing for prosecution by city attorneys of certain misdemeanors; reinstating the sheriff's contingent fund for drug and alcohol-violation investigation; permitting six-member juries in gross misdemeanor cases; permitting the imposition of fines and minimum probation periods on persons placed on probation; expanding the crime of theft to cover diversions of corporate property and unlawful distributions; amending Minnesota Statutes 1984, sections 160.27, subdivision 5; 593.01, subdivision 2; 609.13, subdivision 1; 609.135, subdivisions 2 and 4; and 611.033; and Minnesota Statutes 1985 Supplement, sections 609.135, subdivision 1; and 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 387."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

S. F. No. 1349, A bill for an act relating to insurance; providing that insurers or health maintenance organizations must not require a public employer to contribute toward the payment of insurance premiums or charges for insurance for retired officers or employees; amending Minnesota Statutes 1984, section 471.61, subdivision 2a.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

S. F. No. 1531, A bill for an act relating to agriculture; ratifying the Interstate Compact on Agricultural Grain Marketing; proposing coding for new law as Minnesota Statutes, chapter 236A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Erickson from the Committee on Education to which was referred:

House Resolution No. 41, A house resolution congratulating the football team from Zumbrota High School for winning Runnerup in the 1985 Class C State High School Football Championship.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

Erickson from the Committee on Education to which was referred:

House Resolution No. 42, A house resolution commending the people and schools of Zumbrota upon the centennial of the graduation of its first class.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1101, 1652, 1990, 2050, 2154, 2157, 2169, 2210, 2243, 2391 and 2392 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1742, 1797, 1823, 1851, 1642, 1880, 1914, 1919, 1965, 1613, 496, 1441, 1680, 1733, 1950, 923, 1014 and 1349 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Brandl introduced:

H. F. No. 2518, A bill for an act relating to education; authorizing a second chance educational program for certain children and pupils; proposing coding for new law in Minnesota Statutes, chapter 126.

The bill was read for the first time and referred to the Committee on Education.

Bishop and Jennings, D., introduced:

H. F. No. 2519, A bill for an act relating to health; providing for a declaration by competent adults that life-sustaining treatment be withheld or withdrawn; adopting provisions of the uniform rights of the terminally ill act; providing for creation of a durable power of attorney for health care; imposing penalties; amending Minnesota Statutes 1984, sections 523.01; and 523.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 145; proposing coding for new law as Minnesota Statutes, chapter 523A.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Begich, Battaglia, Minne, Elioff and Solberg introduced:

H. F. No. 2520, A bill for an act relating to taxation; imposing levy limits on certain towns and cities; altering provisions governing distribution of certain taconite tax proceeds; reducing the taconite railroad gross earnings tax rate; reducing occupation and royalty tax rates; providing for the deduction of taconite production taxes and transportation costs; amending Minnesota Statutes 1984, sections 275.125, subdivision 9; 275.50, subdivision 2; 275.51, subdivision 3f; 298.225, by adding a subdivision; and 298.24, subdivision 1; Minnesota Statutes 1985 Supplement, sections 294.22; 298.01, subdivision 1; 298.03; 298.225, subdivision 1; 298.28, subdivision 1; and 299.01, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Segal introduced:

H. F. No. 2521, A bill for an act relating to insurance; creating a joint underwriting association; requiring participation by insurers; proposing new law coded as Minnesota Statutes, chapter 62I.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Miller and Redalen introduced:

H. F. No. 2522, A bill for an act relating to utilities; public safety; allowing certain counties to petition public utilities commission and department of administration to delay implementation of 911 emergency telephone services for two years; prohibiting 911 access charges in areas where 911 is not available; amending Minnesota Statutes 1984, section 403.08, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 403.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

McKasy, Kostohryz, Valento, Cohen and Gruenes introduced:

H. F. No. 2523, A bill for an act relating to the Minnesota high school league; requiring due process on certain conference matters; establishing certain requirements for expulsion from a

conference; amending Minnesota Statutes 1984, section 129.121, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Clark, Pappas, Otis, Vellenga and Brandl introduced:

H. F. No. 2524, A resolution memorializing the President and Congress to declare that the United States will refrain from testing nuclear weapons and to negotiate a test ban treaty with the Soviet Union.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Forsythe introduced:

H. F. No. 2525, A bill for an act relating to military affairs; providing for pay of public employees in certain military service; amending Minnesota Statutes 1984, section 192.26.

The bill was read for the first time and referred to the Committee on Appropriations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1526 and 1848.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 985.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1526, A bill for an act relating to natural resources; recodifying laws governing wild animals in general, the taking and possession of game and fish, and the management of natural resources; providing penalties; amending Minnesota Statutes 1984, sections 9.071; 14.02, subdivision 4; 14.38, subdivision 6; 18.021, subdivision 3; 84.0274, subdivision 6; 84.88, subdivision 2; 84.89; 84A.02; 85.018, subdivision 8; 86A.06; 105.391, subdivisions 3 and 12; 105.417, subdivision 4; 111.81, subdivision 1; 343.21, subdivision 8; 343.30; 352B.01, subdivision 2; 361.25; 383C.13; 477A.12; 477A.13; Minnesota Statutes 1985 Supplement, section 105.74; proposing coding for new law in Minnesota Statutes, chapters 84; 97A; 97B; 97C; 609; and 624; repealing Minnesota Statutes 1984, and 1985 Supplement, chapters 97, 98, 99, 100, 101, and 102.

The bill was read for the first time.

Rose moved that S. F. No. 1526 and H. F. No. 1652, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1848, A bill for an act relating to costs and attorney fees; providing for recovery of costs and attorney fees by prevailing parties in civil actions and contested case proceedings involving the state; amending Minnesota Statutes 1984, section 14.62, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time.

Backlund moved that S. F. No. 1848 and H. F. No. 1962, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 985, A bill for an act relating to administrative procedure; clarifying provisions relating to emergency rules; defining order and rule; limiting certain agency actions; requiring an order to be rendered in accordance with the contested case procedures of the administrative procedure act; amending Minnesota Statutes 1984, sections 14.02, by adding a subdivision; 14.29, subdivisions 1 and 2; and 14.57; Minnesota Statutes 1985 Supplement, section 14.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 14.

The bill was read for the first time.

Voss moved that S. F. No. 985 and H. F. No. 1101, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Levi, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be acted upon immediately following Special Orders pending for Thursday, March 6, 1986:

H. F. Nos. 1749, 2295, 2344, 124, 2198, 2023, 397, 2324, 2394, 2428, 1892, 2296, 2374, 2371, 1797, 1911, 1744, 2407, 2429, 1910, 901, 1890, 1917, 1885, 2315, 2195 and 1568.

SPECIAL ORDERS

H. F. No. 1781 was reported to the House.

Uphus moved that H. F. No. 1781 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2216 was reported to the House.

Johnson moved to amend H. F. No. 2216, as follows:

Amend the title as follows:

Page 1, line 4, delete "auditor or" and insert "surveyor and"

The motion prevailed and the amendment was adopted.

Johnson; Jennings, L., and Lieder moved to amend H. F. No. 2216, as amended, as follows:

Page 7, line 15, restore the stricken "permanent landmark" and insert a period

Page 7, line 18, before "*durable*" insert "*If there is no monument present, a*"

Page 7, line 20, before the period insert "*shall be placed*"

The motion prevailed and the amendment was adopted.

H. F. No. 2216, A bill for an act relating to land surveying; providing for the surveying of lands by a county board; providing for the establishment of an office of county surveyor and the assignment of its duties; providing a penalty; amending Minnesota Statutes 1984, sections 381.01; 381.02; 381.03; 381.04; 381.05; 381.06; 381.07; 381.08; 381.09; 381.10; 381.12; 381.13; 389.011; 389.02; 389.03; 389.04; 389.08; Minnesota Statutes 1985

Supplement, section 389.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 381; repealing Minnesota Statutes 1984, section 389.06.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dyke	Knuth	Pauly	Skoglund
Anderson, R.	Elioff	Kostohryz	Peterson	Solberg
Backlund	Erickson	Krueger	Piepho	Sparby
Battaglia	Fjoslien	Kvam	Piper	Staten
Beard	Forsythe	Levi	Poppenhagen	Sviggum
Becklin	Frederick	Lieder	Price	Thiede
Begich	Frederickson	Long	Quinn	Thorson
Bennett	Frerichs	Marsh	Quist	Tjornhom
Bishop	Greenfield	McDonald	Redalen	Tomlinson
Blatz	Gruenes	McPherson	Rees	Tompkins
Boerboom	Hartinger	Miller	Rest	Tunheim
Boo	Hartle	Munger	Rice	Uphus
Brandl	Haukoos	Murphy	Richter	Valan
Brinkman	Heap	Nelson, D.	Riveness	Valento
Brown	Himle	Nelson, K.	Rodosovich	Vanasek
Burger	Jacobs	Neuenschwander	Schafer	Vellenga
Carlson, D.	Jaros	Norton	Scheid	Voss
Carlson, J.	Jennings, L.	Ogren	Schoenfeld	Waltman
Carlson, L.	Johnson	Olsen, S.	Schreiber	Welle
Clark	Kahn	Omann	Seaberg	Wenzel
Cohen	Kalis	Onnen	Segal	Wynia
Dempsey	Kelly	Otis	Shaver	Zaffke
DenOuden	Kiffmeyer	Ozment	Sherman	Spk. Jennings, D.
Dimler	Knickerbocker	Pappas	Simoneau	

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

H. F. No. 2263, A bill for an act relating to corporations; conforming to federal law; changing applicability of shareholder voting on control share acquisitions; providing for lesser relief than dissolution under certain circumstances; amending Minnesota Statutes 1984, section 302A.751, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 302A.449, subdivision 7; and 302A.671, subdivisions 1 and 3; repealing Laws 1985, First Special Session chapter 5, section 21.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Backlund	Beard	Begich	Bishop
Anderson, R.	Battaglia	Becklin	Bennett	Blatz

Boerboom	Gruenes	McDonald	Poppenhagen	Sparby
Boo	Hartinger	McEachern	Price	Stanius
Brandl	Hartle	McLaughlin	Quinn	Staten
Brinkman	Haukoos	McPherson	Quist	Svigum
Brown	Heap	Miller	Redalen	Thiede
Burger	Himle	Minne	Rees	Thorson
Carlson, D.	Jacobs	Munger	Rest	Tjornhom
Carlson, J.	Jaros	Murphy	Rice	Tomlinson
Carlson, L.	Jennings, L.	Nelson, D.	Richter	Tompkins
Clark	Johnson	Nelson, K.	Riveness	Tunheim
Cohen	Kahn	Neuenschwander	Rodosovich	Uphus
Dempsey	Kalis	Norton	Sarna	Valan
DenOuden	Kelly	Ogren	Schafer	Valento
Dimler	Kiffmeyer	Olsen, S.	Scheid	Vanasek
Dyke	Knickerbocker	Omann	Schoenfeld	Vellenga
Elioff	Knuth	Onnen	Schreiber	Voss
Erickson	Kostohryz	Otis	Seaberg	Waltman
Fjoslien	Krueger	Ozment	Segal	Welle
Forsythe	Kvam	Pappas	Shaver	Wenzel
Frederick	Levi	Pauly	Sherman	Wynia
Frederickson	Lieder	Peterson	Simoneau	Zaffke
Frerichs	Long	Piepho	Skoglund	Spk. Jennings, D.
Greenfield	Marsh	Piper	Solberg	

The bill was passed and its title agreed to.

H. F. No. 2032 was reported to the House.

Valan moved that H. F. No. 2032 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2111, A bill for an act relating to the city of Medina; authorizing a payment by the city for utility construction.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clark	Haukoos	Long	Onnen
Anderson, R.	Clausnitzer	Heap	Marsh	Otis
Backlund	Cohen	Himle	McDonald	Pappas
Battaglia	Dempsey	Jacobs	McEachern	Pauly
Beard	DenOuden	Jaros	McLaughlin	Peterson
Becklin	Dimler	Jennings, L.	McPherson	Piepho
Begich	Dyke	Johnson	Miller	Piper
Bennett	Elioff	Kahn	Minne	Poppenhagen
Bishop	Erickson	Kalis	Munger	Price
Blatz	Fjoslien	Kelly	Murphy	Quinn
Boerboom	Forsythe	Kiffmeyer	Nelson, D.	Quist
Brandl	Frederick	Knickerbocker	Nelson, K.	Redalen
Brinkman	Frederickson	Knuth	Neuenschwander	Rees
Brown	Frerichs	Kostohryz	Norton	Rest
Burger	Greenfield	Krueger	O'Connor	Rice
Carlson, D.	Gruenes	Kvam	Ogren	Richter
Carlson, J.	Hartinger	Levi	Olsen, S.	Riveness
Carlson, L.	Hartle	Lieder	Omann	Rodosovich

Rose	Segal	Stanjus	Tunheim	Waltman
Sarna	Shaver	Staten	Uphus	Welle
Schafer	Sherman	Sviggum	Valan	Wenzel
Scheid	Simoneau	Thiede	Valento	Wynia
Schoenfeld	Skoglund	Tjornhom	Vanasek	Zaffke
Schreiber	Solberg	Tomlinson	Vellenga	Spk. Jennings, D.
Seaberg	Sparby	Tompkins	Voss	

The bill was passed and its title agreed to.

H. F. No. 2187, A bill for an act relating to Olmsted county; increasing the amount the county board may appropriate annually for use as a contingent fund; amending Laws 1965, chapter 433, section 1, as amended.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dyke	Kostohryz	Otis	Simoneau
Anderson, R.	Elioff	Krueger	Ozment	Skoglund
Backlund	Erickson	Kvam	Pappas	Solberg
Battaglia	Fjoslien	Levi	Pauly	Sparby
Beard	Forsythe	Lieder	Peterson	Stanjus
Becklin	Frederick	Long	Piepho	Staten
Begich	Frederickson	Marsh	Piper	Sviggum
Bennett	Frerichs	McDonald	Poppenhagen	Thiede
Bishop	Greenfield	McEachern	Price	Tjornhom
Blatz	Gruenes	McLaughlin	Quinn	Tomlinson
Boerboom	Hartinger	McPherson	Quist	Tompkins
Boo	Hartle	Miller	Redalen	Tunheim
Brandl	Haukoos	Minne	Rees	Uphus
Brinkman	Heap	Munger	Rice	Valan
Brown	Himle	Murphy	Richter	Valento
Burger	Jacobs	Nelson, D.	Riveness	Vanasek
Carlson, D.	Jaros	Nelson, K.	Rodosovich	Vellenga
Carlson, J.	Jennings, L.	Neuenschwander	Rose	Voss
Carlson, L.	Johnson	Norton	Sarna	Waltman
Clark	Kahn	O'Connor	Schafer	Welle
Clausnitzer	Kalis	Ogren	Scheid	Wenzel
Cohen	Kelly	Olsen, S.	Schoenfeld	Wynia
Dempsey	Kiffmeyer	Omann	Segal	Zaffke
DenOuden	Knickerbocker	Onnen	Shaver	Spk. Jennings, D.
Dimler	Knuth	Osthoff	Sherman	

The bill was passed and its title agreed to.

H. F. No. 2329, A bill for an act relating to Dakota county; authorizing the issuance of bonds for the construction of library buildings and an annual levy for debt retirement.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dimler	Knuth	Otis	Simoneau
Anderson, R.	Dyke	Kostohryz	Ozment	Skoglund
Backlund	Elioff	Krueger	Pappas	Solberg
Battaglia	Erickson	Kvam	Pauly	Sparby
Beard	Fjoslien	Levi	Piepho	Stanius
Becklin	Forsythe	Lieder	Piper	Staten
Begich	Frederick	Long	Poppenhagen	Thiede
Bennett	Frederickson	Marsh	Price	Thorson
Bishop	Frerichs	McDonald	Quinn	Tjornhom
Blatz	Greenfield	McEachern	Quist	Tomlinson
Boerboom	Gruenes	McLaughlin	Redalen	Tompkins
Boo	Hartinger	McPherson	Rees	Tunheim
Brandl	Hartle	Miller	Rest	Uphus
Brinkman	Haukoos	Minne	Rice	Valan
Brown	Himle	Murphy	Richter	Valento
Burger	Jacobs	Nelson, D.	Riveness	Vanasek
Carlson, D.	Jaros	Nelson, K.	Rodosovich	Vellenga
Carlson, J.	Jennings, L.	Neuenschwander	Rose	Voss
Carlson, L.	Johnson	Norton	Sarna	Waltman
Clark	Kahn	O'Connor	Schoenfeld	Welle
Clausnitzer	Kalis	Ogren	Seaberg	Wenzel
Cohen	Kelly	Olsen, S.	Segal	Wynia
Dempsey	Kiffmeyer	Omann	Shaver	Zaifke
DenOuden	Knickerbocker	Onnen	Sherman	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 1800, A bill for an act relating to local government; authorizing the counties of Becker, Grant, Hubbard, Otter Tail, Stevens, Todd, Traverse, Wadena, and Wilkin to enter into contracts and agreements for solid waste management.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Burger	Frederick	Kalis	McPherson
Anderson, R.	Carlson, D.	Frederickson	Kelly	Miller
Backlund	Carlson, J.	Frerichs	Kiffmeyer	Minne
Battaglia	Carlson, L.	Greenfield	Knickerbocker	Munger
Beard	Clark	Gruenes	Knuth	Murphy
Becklin	Clausnitzer	Hartinger	Kostohryz	Nelson, D.
Begich	Cohen	Hartle	Krueger	Nelson, K.
Bennett	Dempsey	Haukoos	Kvam	Neuenschwander
Bishop	DenOuden	Heap	Levi	Norton
Blatz	Dimler	Himle	Lieder	O'Connor
Boerboom	Dyke	Jacobs	Long	Ogren
Boo	Elioff	Jaros	Marsh	Olsen, S.
Brandl	Erickson	Jennings, L.	McDonald	Omann
Brinkman	Fjoslien	Johnson	McEachern	Onnen
Brown	Forsythe	Kahn	McLaughlin	Osthoff

Otis	Quist	Schafer	Sparby	Valento
Ozment	Redalen	Scheid	Stanius	Vanasek
Pappas	Rees	Schoenfeld	Staten	Vellenga
Pauly	Rest	Seaberg	Swiggum	Voss
Peterson	Rice	Segal	Thorson	Waltman
Piepho	Richter	Shaver	Tjornhom	Welle
Piper	Rivenness	Sherman	Tomlinson	Wenzel
Poppenhagen	Rodosovich	Simoneau	Tompkins	Wynia
Price	Rose	Skoglund	Tunheim	Spk. Jennings, D.
Quinn	Sarna	Solberg	Valan	

The bill was passed and its title agreed to.

H. F. No. 2185 was reported to the House.

There being no objection H. F. No. 2185 was temporarily laid over on Special Orders.

H. F. No. 1869 was reported to the House.

Quinn and Solberg moved to amend H. F. No. 1869, the third engrossment, as follows:

Delete section 2 and renumber accordingly.

A roll call was requested and properly seconded.

The question was taken on the Quinn and Solberg amendment and the roll was called. There were 64 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Minne	Piper	Skoglund
Backlund	Jacobs	Munger	Price	Solberg
Battaglia	Jaros	Murphy	Quinn	Sparby
Beard	Jennings, L.	Nelson, D.	Rest	Staten
Begich	Kahn	Nelson, K.	Rice	Tomlinson
Brandl	Kalis	Neuenschwander	Rivenness	Tunheim
Brinkman	Kelly	Norton	Rodosovich	Vanasek
Brown	Knuth	O'Connor	Sarna	Vellenga
Carlson, L.	Kostohryz	Ogren	Scheid	Voss
Clark	Krueger	Osthoff	Schoenfeld	Welle
Cohen	Lieder	Otis	Segal	Wenzel
Elioff	Long	Pappas	Sherman	Wynia
Ellingson	McLaughlin	Peterson	Simoneau	

Those who voted in the negative were:

Anderson, R.	Carlson, J.	Frederick	Johnson	Olsen, S.
Beckin	Clausnitzer	Frederickson	Kiffmeyer	Omann
Bennett	Dempsey	Frerichs	Knickerbocker	Onnen
Bishop	DenOuden	Gruenes	Kvam	Ozment
Blatz	Dimler	Hartinger	Levi	Pauly
Boerboom	Dyke	Hartle	Marsh	Piepho
Boo	Erickson	Haukoos	McDonald	Poppenhagen
Burger	Fjoslien	Heap	McPherson	Quist
Carlson, D.	Forsythe	Himle	Müller	Redalen

Rees	Schreiber	Sviggum	Tompkins	Waltman
Richter	Seaberg	Thiede	Uphus	Zaffke
Rose	Shaver	Thorson	Valan	Spk. Jennings, D.
Schafer	Stanius	Tjornhom	Valento	

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

H. F. No. 1869 was read for the third time.

POINT OF ORDER

McLaughlin raised a point of order pursuant to rule 4.9 relating to who may be admitted to the House floor. The Speaker ruled the point of order well taken.

Simoneau moved to re-refer H. F. No. 1869 to the Committee on Governmental Operations. The motion did not prevail.

H. F. No. 1869, A bill for an act relating to local government units; authorizing the privatization of facilities for the treatment of wastewater and the furnishing of potable water; amending Minnesota Statutes 1984, section 474.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 297A; proposing coding for new law as Minnesota Statutes, chapter 471A.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 78 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dyke	Kiffmeyer	Poppenhagen	Thiede
Backlund	Erickson	Knickerbocker	Quist	Thorson
Becklin	Fjoslien	Krueger	Redalen	Tjornhom
Bennett	Forsythe	Kvam	Rees	Tomlinson
Bishop	Frederick	Levi	Richter	Tompkins
Blatz	Frederickson	Marsh	Rose	Uphus
Boerboom	Frerichs	McDonald	Schafer	Valan
Boo	Gruenes	McEachern	Schoenfeld	Valento
Brinkman	Hartinger	McPherson	Schreiber	Vanasek
Burger	Hartle	Miller	Seaberg	Vellenga
Carlson, D.	Haukoos	Olsen, S.	Segal	Waltman
Carlson, J.	Heap	Omann	Shaver	Wenzel
Clausnitzer	Himle	Onnen	Sherman	Zaffke
Dempsey	Jennings, L.	Ozment	Sparby	Spk. Jennings, D.
DenOuden	Johnson	Pauly	Stanius	
Dimler	Kalis	Piepho	Sviggum	

Those who voted in the negative were:

Anderson, G.	Brandl	Clark	Ellingson	Kahn
Beard	Brown	Cohen	Jacobs	Kostohryz
Begich	Carlson, L.	Elioff	Jaros	Long

McLaughlin	Norton	Peterson	Rodosovich	Staten
Minne	O'Connor	Price	Sarna	Tunheim
Munger	Ogren	Quinn	Scheid	Voss
Murphy	Osthoff	Rest	Simoneau	Welle
Nelson, D.	Otis	Rice	Skoglund	Wynia
Nelson, K.	Pappas	Riveness	Solberg	

The bill was passed and its title agreed to.

H. F. No. 2051, A bill for an act relating to the city of St. Paul; permitting the establishment of special service districts in the city and providing taxing and other authority.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Backlund	Dyke	Krueger	Pauly	Skoglund
Battaglia	Elioff	Levi	Peterson	Solberg
Beard	Ellingson	Lieder	Piepho	Sparby
Becklin	Erickson	Long	Pjper	Stanius
Begich	Fjoslien	Marsh	Poppenhagen	Staten
Bennett	Forsythe	McDonald	Price	Sviggum
Bishop	Frederick	McEachern	Quinn	Thorson
Blatz	Frederickson	McLaughlin	Quist	Tjornhom
Boerboom	Frerichs	McPherson	Redalen	Tomlinson
Boo	Greenfield	Minne	Rees	Tompkins
Brandl	Gruenes	Munger	Rest	Tunheim
Brinkman	Hartinger	Murphy	Richter	Uphus
Brown	Hartle	Nelson, D.	Riveness	Valento
Burger	Heap	Nelson, K.	Rodosovich	Vanasek
Carlson, D.	Himle	Neuenschwander	Rose	Vellenga
Carlson, J.	Jacobs	Norton	Sarna	Voss
Carlson, L.	Johnson	O'Connor	Schoenfeld	Welle
Clark	Kahn	Ogren	Schreiber	Wenzel
Clausnitzer	Kalis	Olsen, S.	Seaberg	Wynia
Cohen	Kelly	Omann	Segal	Spk. Jennings, D.
Dempsey	Kiffmeyer	Onnen	Shaver	
DenOuden	Knickerbocker	Otis	Sherman	
Dimler	Kostohryz	Pappas	Simoneau	

Those who voted in the negative were:

Osthoff	Rice	Schafer	Zaffke
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The bill was passed and its title agreed to.

H. F. No. 2364, A bill for an act relating to transportation; railroads; permitting transportation regulation board to approve certain rate changes and applications for track abandonment or discontinuance of service in certain cases without a public hearing; providing for imposition of misdemeanor penalty for certain

violations relating to movement of hazardous materials; amending Minnesota Statutes 1984, sections 221.041, subdivision 1; and 221.291, subdivision 3; Minnesota Statutes 1985 Supplement, sections 219.741; and 219.85.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dimler	Krueger	Piper	Sparby
Anderson, R.	Dyke	Levi	Poppenhagen	Stanius
Backlund	Elioff	Lieder	Price	Staten
Battaglia	Ellingson	Long	Quinn	Sviggum
Beard	Erickson	McDonald	Quist	Thiede
Becklin	Fjoslien	McEachern	Redalen	Thorson
Begich	Forsythe	McLaughlin	Rees	Tjornhom
Bennett	Frederick	McPherson	Rest	Tomlinson
Bishop	Frederickson	Miller	Rice	Tompkins
Blatz	Frerichs	Minne	Richter	Tunheim
Boerboom	Greenfield	Murphy	Riveness	Uphus
Boo	Hartinger	Nelson, K.	Rodosovich	Valan
Brandl	Harile	Neuenschwander	Rose	Valento
Brinkman	Haukoos	Norton	Sarna	Vanasek
Brown	Heap	Ogren	Schafer	Vellenga
Burger	Jacobs	Olsen, S.	Scheid	Voss
Carlson, D.	Jaros	Omann	Schoenfeld	Welle
Carlson, J.	Jennings, L.	Onnen	Schreiber	Wenzel
Carlson, L.	Johnson	Otis	Seaberg	Wynia
Clark	Kahn	Ozment	Segal	Zaffke
Clausnitzer	Kelly	Pappas	Sherman	Spk. Jennings, D.
Cohen	Kiffmeyer	Pauly	Simoneau	
Dempsey	Knickerbocker	Peterson	Skoglund	
DenOuden	Kostohryz	Piepho	Solberg	

Those who voted in the negative were:

Gruenes Marsh

The bill was passed and its title agreed to.

H. F. No. 2365, A bill for an act relating to transportation; clarifying procedures in certain contested matters brought before the transportation regulation board; amending Minnesota Statutes 1984, sections 174A.02, subdivision 4; and 216A.05, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 2 nays as follows:

Those who voted in the affirmative were :

Anderson, G.	Dyke	Kostohryz	Pappas	Simoneau
Anderson, R.	Elioff	Krueger	Pauly	Skoglund
Backlund	Ellingson	Levi	Peterson	Solberg
Battaglia	Erickson	Lieder	Piepho	Sparby
Beard	Fjoslien	Long	Piper	Stanius
Becklin	Forsythe	McDonald	Poppenhagen	Staten
Begich	Frederick	McEachern	Price	Sviggum
Bennett	Frederickson	McLaughlin	Quinn	Thiede
Bishop	Frerichs	McPherson	Quist	Thorson
Blatz	Greenfield	Miller	Redalen	Tjornhom
Boerboom	Hartering	Minne	Rees	Tomlinson
Boo	Hartle	Munger	Rest	Tompkins
Brandl	Haukoos	Murphy	Rice	Tunheim
Brinkman	Heap	Nelson, D.	Richter	Uphus
Brown	Himle	Nelson, K.	Riveness	Valan
Burger	Jacobs	Neuenschwander	Rodosovich	Valento
Carlson, D.	Jaros	Norton	Sarna	Vanasek
Carlson, J.	Jennings, L.	O'Connor	Schafer	Vellenga
Carlson, L.	Johnson	Ogren	Scheid	Voss
Clark	Kahn	Olsen, S.	Schoenfeld	Waltman
Clausnitzer	Kalis	Omann	Schreiber	Welle
Cohen	Kelly	Onnen	Seaberg	Wenzel
Dempsey	Kiffmeyer	Osthoff	Segal	Wynia
DenOuden	Knickerbocker	Otis	Shaver	Zaffke
Dimler	Knuth	Ozment	Sherman	Spk. Jennings, D.

Those who voted in the negative were :

Gruenes Marsh

The bill was passed and its title agreed to.

H. F. No. 2370, A bill for an act relating to transportation; railroads; permitting the transportation regulation board to grant clearance variances without evidentiary hearings in certain cases; amending Minnesota Statutes 1985 Supplement, section 219.47, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 3 nays as follows :

Those who voted in the affirmative were :

Anderson, G.	Brandl	Dyke	Haukoos	Krueger
Anderson, R.	Brinkman	Elioff	Heap	Kvam
Backlund	Brown	Ellingson	Jacobs	Levi
Battaglia	Burger	Erickson	Jaros	Lieder
Beard	Carlson, J.	Fjoslien	Jennings, L.	Long
Becklin	Carlson, L.	Forsythe	Johnson	McDonald
Begich	Clark	Frederick	Kahn	McEachern
Bennett	Clausnitzer	Frederickson	Kalis	McLaughlin
Bishop	Cohen	Frerichs	Kelly	McPherson
Blatz	Dempsey	Greenfield	Knickerbocker	Miller
Boerboom	DenOuden	Hartering	Knuth	Minne
Boo	Dimler	Hartle	Kostohryz	Munger

Murphy	Pappas	Richter	Simoneau	Uphus
Nelson, D.	Pauly	Riveneas	Skoglund	Valan
Nelson, K.	Peterson	Rodosovich	Solberg	Valento
Neuenschwander	Piepho	Sarna	Sparby	Vanasek
Norton	Piper	Schafer	Stanius	Vellenga
O'Connor	Poppenhagen	Scheid	Staten	Voss
Ogren	Price	Schoenfeld	Thiede	Waltman
Olsen, S.	Quinn	Schreiber	Thorson	Wenzel
Omann	Quist	Seaberg	Tjornhom	Wynia
Onnen	Redalen	Segal	Tomlinson	Zaffke
Otis	Rees	Shaver	Tompkins	Spk. Jennings, D.
Ozment	Rest	Sherman	Tunheim	

Those who voted in the negative were:

Gruenes Marsh Sviggum

The bill was passed and its title agreed to.

H. F. No. 1782, A bill for an act relating to natural resources; enacting the lake improvement district act; providing for the creation, powers, and termination of lake improvement districts; amending Minnesota Statutes 1984, sections 378.41; 378.42; 378.43; 378.44; 378.46; 378.47; 378.51; 378.52; 378.55; 378.56; and 378.57; proposing coding for new law in Minnesota Statutes, chapter 378; repealing Minnesota Statutes 1984, sections 378.41, subdivision 3; 378.45; and 378.53.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dimler	Kelly	O'Connor	Rodosovich
Anderson, R.	Dyke	Kiffmeyer	Ogren	Rose
Backlund	Elioff	Knickerbocker	Olsen, S.	Sarna
Battaglia	Ellingson	Knuth	Omann	Schafer
Beard	Erickson	Kostohryz	Onnen	Scheid
Becklin	Fjoslien	Krueger	Osthoff	Schoenfeld
Begich	Forsythe	Kvam	Otis	Seaberg
Bennett	Frederick	Levi	Ozment	Segal
Bishop	Frederickson	Lieder	Pappas	Shaver
Blatz	Frerichs	Long	Pauly	Sherman
Boerboom	Greenfield	Marsh	Peterson	Simoneau
Boo	Gruenes	McDonald	Piepho	Skoglund
Brandl	Hartinger	McEachern	Piper	Solberg
Brinkman	Hartle	McLaughlin	Poppenhagen	Sparby
Brown	Haukoos	McPherson	Price	Stanius
Burger	Heap	Miller	Quinn	Staten
Carlson, D.	Himle	Minne	Quist	Sviggum
Carlson, J.	Jacobs	Munger	Redalen	Thiede
Carlson, L.	Jaros	Murphy	Rees	Thorson
Clark	Jennings, L.	Nelson, D.	Rest	Tjornhom
Clausnitzer	Johnson	Nelson, K.	Rice	Tomlinson
Cohen	Kahn	Neuenschwander	Richter	Tompkins
Dempsey	Kalis	Norton	Riveneas	Tunheim

Uphus
Valan
Valento

Vanasek
Vellenga
Voss

Waltman
Welle

Wenzel
Wynia

Zaffke
Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 2141 was reported to the House.

Schoenfeld moved to amend H. F. No. 2141, the first engrossment, as follows:

Page 2, after line 7, insert:

"Sec. 3. Minnesota Statutes 1984, section 500.24, is amended by adding a subdivision to read:

Subd. 6. [DISPOSAL OF LAND.]

A state or federal agency or a corporation other than a family farm corporation, or an authorized farm corporation, when leasing or selling farm land or farm homestead, must offer or make a good faith effort to offer land for sale or lease to the former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. An offer delivered by certified mail to the former owner's last known address is a good faith offer. This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert:

"requiring the sale or lease of certain farm land to certain persons,"

The motion prevailed and the amendment was adopted.

H. F. No. 2141, A bill for an act relating to agriculture; requiring certain corporate owners of agricultural land to reimburse the state for damage to conservation practices; requiring certain lease terms; requiring the sale or lease of certain farm land to certain persons; amending Minnesota Statutes 1984, section 500.24, by adding subdivisions.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fjoslien	Lieder	Piepho	Solberg
Anderson, R.	Forsythe	Long	Piper	Sparby
Backlund	Frederick	Marsh	Poppenhagen	Stanius
Battaglia	Frederickson	McDonald	Price	Staten
Beard	Frerichs	McEachern	Quinn	Sviggum
Becklin	Greenfield	McLaughlin	Quist	Thiede
Begich	Gruenes	McPherson	Redalen	Thorson
Bennett	Hartering	Miller	Rees	Tjornhom
Blatz	Hartle	Minne	Rest	Tomlinson
Boerboom	Haukoos	Murphy	Rice	Tompkins
Brandl	Heap	Nelson, D.	Richter	Tunheim
Brinkman	Jacobs	Nelson, K.	Riveness	Uphus
Brown	Jaros	Neuenschwander	Rodosovich	Valan
Burger	Jennings, L.	Norton	Rose	Valento
Carlson, D.	Johnson	O'Connor	Sarna	Vanasek
Carlson, L.	Kahn	Ogren	Schafer	Vellenga
Clark	Kalis	Olsen, S.	Scheid	Voss
Clausnitzer	Kelly	Omann	Schoenfeld	Waltman
Cohen	Kiffmeyer	Onnen	Schreiber	Welle
Dempsey	Knickerbocker	Osthoff	Seaberg	Wenzel
DenOuden	Knuth	Otis	Segal	Wynia
Dyke	Kostohryz	Ozment	Shaver	Zaffke
Elioff	Krueger	Pappas	Sherman	Spk. Jennings, D.
Ellingson	Kvam	Pauly	Simoneau	
Erickson	Levi	Peterson	Skoglund	

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

H. F. No. 2100, A bill for an act relating to agriculture; state agricultural society; removing the time and geographical restrictions on the society's ability to impose certain restrictions on performers at the state fairgrounds; amending Minnesota Statutes 1985 Supplement, section 37.17, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, L.	Hartering	Lieder	Omann
Anderson, R.	Clark	Hartle	Long	Onnen
Backlund	Clausnitzer	Haukoos	Marsh	Osthoff
Battaglia	Cohen	Heap	McDonald	Otis
Beard	Dempsey	Himle	McEachern	Ozment
Becklin	Dimler	Jacobs	McLaughlin	Pauly
Begich	Dyke	Jennings, L.	McPherson	Peterson
Bennett	Elioff	Johnson	Miller	Piepho
Bishop	Ellingson	Kahn	Minne	Piper
Blatz	Erickson	Kalis	Munger	Poppenhagen
Boerboom	Fjoslien	Kiffmeyer	Murphy	Price
Boo	Forsythe	Knickerbocker	Nelson, D.	Quinn
Brandl	Frederick	Knuth	Nelson, K.	Redalen
Brinkman	Frederickson	Kostohryz	Norton	Rees
Brown	Frerichs	Krueger	O'Connor	Rice
Burger	Greenfield	Kvam	Ogren	Richter
Carlson, D.	Gruenes	Levi	Olsen, S.	Riveness

Rodosovich	Segal	Staten	Uphus	Welle
Rose	Shaver	Svigum	Valan	Wenzel
Sarna	Sherman	Thiede	Valento	Wynia
Schafer	Simoneau	Thorson	Vanasek	Zaffke
Schoenfeld	Solberg	Tjornhom	Vellenga	Spk. Jennings, D.
Schreiber	Sparby	Tompkins	Voss	
Seaberg	Stanius	Tunheim	Waltman	

The bill was passed and its title agreed to.

H. F. No. 2017, A bill for an act relating to crimes; making certain videotaped statements admissible in proceedings involving physical or sexual abuse against a child; amending Minnesota Statutes 1984, section 595.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 260.156; and 595.02, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Krueger	Pauly	Simoneau
Backlund	Erickson	Kvam	Peterson	Skoglund
Battaglia	Fjoslien	Levi	Piepho	Solberg
Beard	Forsythe	Lieder	Piper	Sparby
Becklin	Frederick	Long	Poppenhagen	Stanius
Begich	Frederickson	Marsh	Price	Staten
Bennett	Frerichs	McDonald	Quinn	Svigum
Bishop	Greenfield	McEachern	Quist	Thiede
Blatz	Gruenes	McLaughlin	Redalen	Thorson
Boerboom	Hartinger	Miller	Rees	Tjornhom
Boo	Hartle	Minne	Rest	Tomlinson
Brandl	Haukoos	Munger	Rice	Tompkins
Brinkman	Heap	Murphy	Richter	Tunheim
Brown	Himle	Nelson, D.	Riveness	Uphus
Burger	Jacobs	Nelson, K.	Rodosovich	Valan
Carlson, D.	Jaros	Norton	Rose	Valento
Carlson, L.	Jennings, L.	O'Connor	Sarna	Vanasek
Clark	Johnson	Ogren	Schafer	Vellenga
Clausnitzer	Kahn	Olsen, S.	Scheid	Voss
Cohen	Kalis	Omann	Schoenfeld	Waltman
Dempsey	Kelly	Onnen	Schreiber	Welle
DenOuden	Kiffmeyer	Osthoff	Seaberg	Wenzel
Dimler	Knickerbocker	Otis	Segal	Wynia
Dyke	Knuth	Ozment	Shaver	Zaffke
Elioff	Kostohryz	Pappas	Sherman	Spk. Jennings, D.

The bill was passed and its title agreed to.

Nelson, K., was excused for the remainder of today's session.

H. F. No. 1749, A bill for an act relating to education; allowing independent school district No. 281, Robbinsdale, to make a levy for transportation of certain pupils.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 103 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dyke	Knickerbocker	Pauly	Sparby
Backlund	Elioff	Krueger	Piepho	Stanius
Battaglia	Ellingson	Kvam	Poppenhagen	Sviggum
Beard	Erickson	Levi	Price	Thiede
Becklin	Fjoslien	Lieder	Quist	Thorson
Begich	Forsythe	Long	Redalen	Tjornhom
Bennett	Frederick	Marsh	Rees	Tomlinson
Blatz	Frerichs	McDonald	Rest	Tompkins
Boerboom	Gruenes	McEachern	Richter	Tunheim
Boo	Hartinger	McPherson	Rodosovich	Uphus
Brandl	Hartle	Miller	Rose	Valan
Brinkman	Haukoos	Minne	Sarna	Valento
Burger	Heap	Munger	Schafer	Vanasek
Carlson, D.	Himle	Murphy	Scheid	Waltman
Carlson, J.	Jacobs	Neuenschwander	Seaberg	Welle
Carlson, L.	Jaros	O'Connor	Segal	Wenzel
Clark	Johnson	Ogren	Shaver	Wynia
Clausnitzer	Kahn	Olsen, S.	Sherman	Zaffke
Cohen	Kalis	Omann	Simoneau	Spk. Jennings, D.
Dempsey	Kelly	Onnen	Skoglund	
Dimler	Kiffmeyer	Otis	Solberg	

Those who voted in the negative were:

Anderson, G.	Greenfield	Nelson, D.	Peterson	Schreiber
Brown	Knuth	Norton	Quinn	Staten
DenOuden	Kostohryz	Pappas	Rice	Voss

The bill was passed and its title agreed to.

H. F. No. 2295, A bill for an act relating to independent school district No. 709; providing for severance pay for employees.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Boerboom	Clark	Erickson	Hartle
Anderson, R.	Boo	Clausnitzer	Fjoslien	Haukoos
Backlund	Brandl	Cohen	Forsythe	Heap
Battaglia	Brinkman	Dempsey	Frederick	Himle
Beard	Brown	DenOuden	Frederickson	Jacobs
Becklin	Burger	Dimler	Frerichs	Jaros
Begich	Carlson, D.	Dyke	Greenfield	Jennings, L.
Bennett	Carlson, J.	Elioff	Gruenes	Johnson
Blatz	Carlson, L.	Ellingson	Hartinger	Kahn

Kalis	Minne	Piepho	Schreiber	Tunheim
Kelly	Munger	Piper	Seaberg	Uphus
Kiffmeyer	Murphy	Poppenhagen	Segal	Valan
Knickerbocker	Nelson, D.	Price	Shaver	Valento
Knuth	Neuenschwander	Quinn	Sherman	Vanasek
Kostohryz	Norton	Quist	Simoneau	Vellenga
Krueger	O'Connor	Redalen	Skoglund	Voss
Kvam	Ogren	Rees	Sparby	Waltman
Levi	Olsen, S.	Rest	Stanius	Welle
Lieder	Omann	Richter	Staten	Wenzel
Long	Onnen	Riveness	Sviggum	Wynia
Marsh	Osthoff	Rodosovich	Thiede	Zaffke
McDonald	Otis	Sarna	Thorsen	Spk. Jennings, D.
McEachern	Pappas	Schafer	Tjornhom	
McLaughlin	Pauly	Scheid	Tomlinson	
McPherson	Peterson	Schoenfeld	Tompkins	

The bill was passed and its title agreed to.

H. F. No. 2344, A bill for an act relating to St. Louis county; making certain offices appointive; allowing the county board to assign certain offices to the unclassified service; amending Minnesota Statutes 1984, sections 375A.06, subdivision 5; 383C.035 and 383C.136.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Levi	Piper	Sparby
Anderson, R.	Ellingson	Lieder	Poppenhagen	Stanius
Backlund	Erickson	Long	Price	Staten
Battaglia	Fjoslien	Marsh	Quinn	Sviggum
Beard	Forsythe	McDonald	Quist	Thiede
Becklin	Frederick	McEachern	Redalen	Thorsen
Begich	Frerichs	McLaughlin	Rees	Tjornhom
Bennett	Greenfield	McPherson	Rest	Tomlinson
Blatz	Gruenes	Minne	Rice	Tompkins
Boerboom	Harteringer	Munger	Richter	Tunheim
Boo	Hartle	Murphy	Riveness	Uphus
Brandl	Haukoos	Nelson, D.	Rodosovich	Valan
Brinkman	Heap	Neuenschwander	Rose	Valento
Brown	Himle	Norton	Sarna	Vanasek
Burger	Jacobs	O'Connor	Schafer	Vellenga
Carlson, D.	Jennings, L.	Ogren	Scheid	Voss
Carlson, J.	Johnson	Olsen, S.	Schoenfeld	Waltman
Carlson, L.	Kalis	Omann	Schreiber	Welle
Clark	Kelly	Onnen	Seaberg	Wenzel
Clausnitzer	Kiffmeyer	Otis	Segal	Wynia
Cohen	Knickerbocker	Ozment	Shaver	Zaffke
Dempsey	Knuth	Pappas	Sherman	Spk. Jennings, D.
DenOuden	Kostohryz	Pauly	Simoneau	
Dimler	Krueger	Peterson	Skoglund	
Dyke	Kvam	Piepho	Solberg	

Those who voted in the negative were:

Jaros

The bill was passed and its title agreed to.

Levi moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Segal moved that the names of Nelson, K., and Wenzel be added as authors on House Resolution No. 45. The motion prevailed.

Clark moved that the name of Rose be added as chief author and the name of Clark be shown as second author on H. F. No. 1144. The motion prevailed.

Uphus moved that the name of Schoenfeld be added as an author on H. F. No. 1781. The motion prevailed.

Heap moved that the name of Tjornhom be added as an author on H. F. No. 1945. The motion prevailed.

Fjoslien moved that his name be stricken as an author on H. F. No. 2010. The motion prevailed.

Bennett moved that the name of Bishop be added as an author on H. F. No. 2038. The motion prevailed.

McPherson moved that the name of Tjornhom be added as an author on H. F. No. 2170. The motion prevailed.

Frederick moved that the name of Shaver be added as an author on H. F. No. 2229. The motion prevailed.

Heap moved that the name of Simoneau be added as an author on H. F. No. 2263. The motion prevailed.

Ogren moved that the names of Solberg and Segal be added as authors on H. F. No. 2505. The motion prevailed.

Krueger moved that the name of Otis be added as an author on H. F. No. 2507. The motion prevailed.

Shaver moved that the name of Rees be added as an author on H. F. No. 2511. The motion prevailed.

Nelson, K., moved that the name of Pappas be added as an author on H. F. No. 2515. The motion prevailed.

Bishop moved that H. F. No. 2519 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Judiciary.

A roll call was requested and properly seconded.

The question was taken on the Bishop motion and the roll was called. There were 44 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Knuth	Olsen, S.	Simoneau
Backlund	Frederickson	Kostohryz	Otis	Skoglund
Bishop	Frerichs	Levi	Pappas	Tomlinson
Boo	Greenfield	Long	Piper	Vellenga
Brandl	Hartle	McLaughlin	Price	Voss
Carlson, L.	Jaros	Minne	Rest	Welle
Clark	Jennings, L.	Munger	Rodosovich	Wynia
Cohen	Kahn	Norton	Seaberg	Spk. Jennings, D.
Forsythe	Kelly	Ogren	Segal	

Those who voted in the negative were:

Battaglia	Elioff	McDonald	Quist	Thiede
Beard	Erickson	McEachern	Redalen	Thorson
Becklin	Fjoslien	McPherson	Rees	Tjornhom
Begich	Gruenes	Miller	Rice	Tompkins
Bennett	Harteringer	Murphy	Richter	Tunheim
Blatz	Haukoos	Nelson, D.	Riveness	Uphus
Boerboom	Himle	O'Connor	Sarna	Valan
Brinkman	Jacobs	Omann	Schafer	Valento
Brown	Johnson	Onnen	Schoenfeld	Vanasek
Burger	Kalis	Ozment	Schreiber	Waltman
Clausnitzer	Kiffmeyer	Pauly	Sherman	Wenzel
Dempsey	Krueger	Peterson	Solberg	Zaffke
DenOuden	Kvam	Piepho	Sparby	
Dimler	Lieder	Poppenhagen	Stanius	
Dyke	Marsh	Quinn	Svigum	

The motion did not prevail.

Brandl moved that H. F. No. 1804 be returned to its author. The motion prevailed.

Kelly, Osthoff, O'Connor, Vellenga and Tomlinson introduced:

House Concurrent Resolution No. 13, A house concurrent resolution commending those people responsible for planning and constructing the 1986 St. Paul Winter Carnival ice palace.

The resolution was referred to the Committee on Rules and Legislative Administration.

House Resolution No. 41 was reported to the House.

HOUSE RESOLUTION NO. 41

A house resolution congratulating the football team from Zumbrota High School for winning Runnerup in the 1985 Class C State High School Football Championship.

Whereas, high school athletic competition contributes to good citizenship by teaching high school students the principles of cooperation and fair play; and

Whereas, high school sports promote vigorous good health of the participants and lift the spirits of fans; and

Whereas, the football team from Zumbrota participated in the Class C State Football Tournament as one of just eight teams from among the 455 teams that originally participated in high school football; and

Whereas, every member of the football team contributed to an impressive effort to win the final game of the tournament; and

Whereas, the football team won the 1985 Class C State Football Runnerup Championship; and

Whereas, the football team finished the year with an outstanding 13 and 1 win-loss record; and

Whereas, Zumbrota High School's players and fans have exhibited outstanding sportsmanship, skill, and desire throughout the season; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that congratulations are extended to the football team of Zumbrota High School on the accomplishments, talents, and determination of their football team and to the team's coach, and to the team's fans. In particular, congratulations are extended to Pat Scharf, Dan DuFrane, Rick Swenson, Tony Stensland, Mike Ritter, Joel Mona, Dean Berg, Glenn Bowman, Mike Olson, Dan Bennett, Jon Milow, Dan Blakstad, Mark Weeks, Bob Prigge, Mark Ehlers, Tony Aunan, Mike Lohman, Peter Wold, Eric Hemme, Scott Sheridan, Lonnie Hinrichs, Neal Killo, Paul Thompson, Todd Copley, Craig Stehr, Aaron Wichman, Bill McDonald, John Brekken, Chris Quast, Mark Radke, Mike Finstuen, Mike Friedrich, Ken Belanger, Jr., Matt Henning, Bob McDonald, and Brett Madison, the team members; to Wendy Kalass, Lori Groth, Tammy Kempf, Julie Hennig, Louise Pflibsen, and Chrissy Holst, the cheerleaders; to Chad Larson and Bob Archer, the student managers; to John Dunbar, Frank Aunan, and Bob Martin, the assistant coaches; to Dr. Bob

Thompson, the team physician; and to Ken Belanger, Sr., the head coach.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to enroll a copy of this resolution, to be authenticated by his signature and that of the Speaker, and that it be presented to the principal of Zumbrota High School.

Waltman moved that House Resolution No. 41 be now adopted. The motion prevailed and House Resolution No. 41 was adopted.

House Resolution No. 42 was reported to the House.

HOUSE RESOLUTION NO. 42

A house resolution commending the people and schools of Zumbrota upon the centennial of the graduation of its first class.

Whereas, the first class, consisting of two students, graduated from the Zumbrota schools in 1886; and

Whereas, the 100th class, consisting of 50 students, will graduate this spring; and

Whereas, in the 100 years the people, town, and schools of Zumbrota have grown and prospered; and

Whereas, the Zumbrota schools have adopted the essential objectives that the students not just absorb information but develop a mastery of fundamental skills, a love of learning, a strong character centered on a feeling of self-worth, an ability to work productively with others, the skill to be a good citizen and productive member of society, an appreciation of the arts, and the capacity for independent thought; and

Whereas, the Zumbrota schools are well known for the high level of skill of its staff and administration; and

Whereas, in celebration of its 100 years, the Zumbrota High School football team won the 1985 Class C State Football Runnerup Championship and finished the year with a 13 and 1 win-loss record; and

Whereas, it is appropriate to commend the people, town, and schools of Zumbrota upon this occasion; *Now, Therefore*,

Be It Resolved by the House of Representatives of the state of Minnesota that it commends the people, town, and schools of Zumbrota for providing 100 years of superior education.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and present it to the Superintendent of the Zumbrota schools.

Waltman moved that House Resolution No. 42 be now adopted. The motion prevailed and House Resolution No. 42 was adopted.

Begich and Heap introduced :

House Resolution No. 46, A house resolution proclaiming June 21, 1986, to be Save American Industry and Jobs Day in Minnesota.

SUSPENSION OF RULES

Begich moved that the rules be so far suspended that House Resolution No. 46 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 46

A house resolution proclaiming June 21, 1986, to be Save American Industry and Jobs Day in Minnesota.

Whereas, from our roots and throughout our more than 200 years of development, American business, industry, and workers generated the model industrial economy and strength which became the envy of the world; and

Whereas, our early farm oriented economy soon gave way to a multifaceted national economy; and

Whereas, the willingness of business and industry to be flexible and able to change, to create change, and a workforce willing and capable to meet the challenge has resulted in a higher standard of living than that of any other nation in the world; and

Whereas, American workers and American manufacturers have produced more consumer products than could have been imagined 200 years ago and throughout this time American workers have excelled in meeting production, assembly, and transportation requirements of consumers and of governments; and

Whereas, American industry and workers have met the call during times of peace and during times of national and global emergencies at home and abroad, the calls from afar which saved many allied nations from an aggressor; and

Whereas, as an industrial nation, with an ever expanding population and marketplace, domestic and foreign producers have benefited from the openness of our markets; and

Whereas, our openness has helped lift the economies of many nations, improve the economic stability of trading nations and their workers, and has been especially helpful to workers in third world nations that enjoy special trading privileges in our markets; and

Whereas, because we have faith in our democratic institutions, industry and workers to improve the quality of life here and everywhere, to blend the pursuit of profit through competition without forgetting to advance our long held social values of justice and fairness in the community and throughout one's worklife and into retirement; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it proclaims June 21, 1986, as a day of recognition of the accomplishments of workers, business, and manufacturing industries and to ask all Americans to join in a national salute to their combined achievements. In so doing, it encourages all appropriate local activity that will broaden the recognition and celebration of Save American Industry and Jobs Day on June 21, 1986.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Speaker, and present them to representatives of business and labor in Minnesota.

Beigich moved that House Resolution No. 46 be now adopted. The motion prevailed and House Resolution No. 46 was adopted.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 11:00 a.m., Friday, March 7, 1986. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Friday, March 7, 1986.

EDWARD A. BURDICK, Chief Clerk, House of Representatives